THE FINANCIAL POST

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The Nation's Business

Manpower Chaos Courts Disaster

At this very late hour, the cry of every responsible Canadian is like that of the man in the Bible, "What must I do to be saved?"

Canadians are not complaining about what has already been asked of them. Where and how they can help more is what they want to know.

But nearly all around, they find either no signposts or signposts pointing in all directions at once.

Canada's war effort still continues without any overall plan. Nobody seems to have decided whether this country is to produce a big army, air force, or navy, or whether we are to do a major job of producing munitions for the United Nations and food for Britain. One controller can still order conversion of some furnaces from fuel oil to coal, though his order conflicts with the orders of another controller trying to get skilled workers where they are needed most, and of another trying to save steel and metals.

One controller can still set up very forbidding regulations against American tourists coming to Canada though another department of government has been spending sizeable sums of money and exerting the utmost in ingenuity trying to get them here for their precious U. S. dollars.

In the instances cited the conflict may have been inevitable; again it may not.

But worst of all failures of decision and leadership has to do with the lives and skill and brawn of individual Canadians.

"At what job am I most needed?" is the question thousands of Canadian men and women are asking. For very few is the answer so plain that they can answer the question for themselves; neither can their friends or employers. For most the only right answer can be given by those who know all the facts; who know all the needs; who know Canada's role in the war effort of the United Nations; that is by the men entrusted with the task of leadership.

MANPOWER INVOLVES SIX DEPARTMENTS

Today six government departments are competing for Canada's dwindling supply of manpower.

The three defense departments make their own decisions as to how many enlistees shall be accepted; the Army makes its own decisions as to how many men shall be drafted.

The Minister of Munitions and Supply drafts his programme of war production for Canada, also for others of the United Nations. Manpower is a vital ingredient of this programme.

Local draft boards, which decide whether or not any individual will serve his country better in the army or at his own job, operate under the Minister of War Services and there is apparently wide variation in policy between boards in different parts of the country.

The Minister of Labor and his Manpower Director, entrusted with the task of seeing that each individual serves where he is most needed, presently stand on the sidelines with entirely inadequate powers to bring sense out of this overall confusion.

Good use of the skill and the willingness to help of Canada's *men and women* cannot possibly be made until this conflict of *authority is ended*; until one single authority is entrusted with the *whole job of* balancing the needs of the armed services and of essential production against available supply. And the appropriate place to lodge this authority is with the Minister of Labor and his Manpower Director, Elliott M. Little.

And with the authority must go adequate power. The time for coaxing and persuasion is past. So is the time for putting up any longer with personal jealousies and political considerations as to how certain parts of the Dominion will react to a sensible and realistic manpower policy.

* * *

FLAGRANT CASE OF GOVERNMENT NEGLECT

One small but flagrant example of Parliament neglecting its duty and of the Government's lack of devotion to the interests of the people of this country occurred in that reckless drive in the last few days of the session to put through all the estimates. Here is the particular case:

Hon. T. A. Crerar was in the House and was speeding through estimates of the Department of Mines and Resources. An item on national parks was agreed to.

The House suddenly turned to an item headed "Legislation." The Speaker said:

"I should like to place on Hansard a statement with regard to the administration of the House of Commons. It is very long and I should not like to trouble the committee with reading it tonight. I should like to have it placed on Hansard for the benefit of hon. members."

The Speaker's statement, which occupies some four pages of the record, was placed on Hansard, apparently without a word from the Chairman or any other member of the House. And without a single word of discussion of this $494,895 item, only part of a matter representing a total expenditure of $1,233,776, the House took up another item in the estimates of the Department of Mines and Resources.

There are two extraordinary things about this procedure. First, here was something irrelevant to the matter previously under consideration, sandwiched between two items in the estimates of the Department of Mines and Resources.

Secondly, statements in the Canadian House of Commons are never just tabled for publication in Hansard without the unanimous consent of the House. In this case, neither did the chairman ask for consent or dissent, nor did any member open his mouth.

The most interesting coincident fact is that the Speaker interjected his statement just a few minutes after George A. McLean, member for Simcoe East, had left the Chamber and he finished the whole matter just a few minutes before Mr. McLean came back in.

And remember that this was the George McLean who a few weeks ago gave a strong speech to the House in which he attacked the administration of House of Commons affairs and backed it up by citing numerous and very disturbing illustrations of waste.

THE MONEY GOES AND DUTY IS NEGLECTED

Mr. McLean had cited the two expensive libraries maintained for House and Senate, two expensive post offices, two offices for storing and handling members' stationery whose staffing requires $11,256 a year; plus $44,000 for the stationery itself. And Mr. McLean mentioned other similar items of waste.

Mr. McLean had produced shocking evidence of a situation which an administration, and all members too, for that matter, with a proper sense of public responsibility and frugal caution would have been sincerely anxious to discuss and to repair, no matter what their desire to get home.

The passing of the estimates would have been the logical time to deal with this matter.

This process, coming the night before the final session, effectively prevented discussion of the appropriation.

Here was a very sizeable item on which every devoted member of the House should have had his suspicions aroused because of the McLean revelations. Yet not a word was uttered; and by a very curious coincidence the item was brought up at a most surprising stage in the proceeding and during the few minutes in which one man known to be well informed thereon and deeply interested in it, was out of the Chamber.

The Canadian people are ready to make all sacrifices necessary to win the war. But they will not be willing to put up with this kind of neglect by the government and the M.P.'s they elect.

Plan Ready For Source Deductions

Announcement Coming Soon on New Collecting System for Income Taxes

By STAFF WRITER

OTTAWA. — Machinery for deducting income tax on wages and salaries at the source has been prepared and will be announced shortly, The Financial Post is informed.

Employers are to be given tables setting out the amount of the deduction, arranged according to pay periods and to comply with the schedule of income taxes as set out in the recent budget.

Deduction at the source is to cover 90% of the total tax liability so far as wages and salaries are concerned. This percentage has been selected for two reasons: 1. It corresponds with the 10% allowance for charitable donations now permitted as a deduction from taxable income. 2. It leaves a fair margin for adjustments for changes in pay and earnings, or income from other sources, thus it is hoped lessening the number and amount of refunds which will be required.

Actual Pay is Basis

Deductions are to be based on the actual pay for every pay period. Thus, if a man receives a wage bonus at the year end, the tax deducted from that particular pay will be at the rate corresponding to a rate of yearly earnings on this scale. Such a case would develop into a claim for a refund or adjustment following the filing of the taxpayers' tax return, Sept. 30, 1943. The same thing applies where an increase in wages or salary becomes effective.

In the case of taxpayers who are

(Continued on page 2, col. 2)

Power Shortage Faces Canada

That Canada is now approaching a major power shortage is indicated by this chart. June requirements were 18.9% above those of the same month last year. The seasonal decline from May was smaller than normal, reflecting a growth in industrial demands. The squeeze will come when summer ends and autumn brings a seasonal advance. Power production of 3.2 billion kw.h. last March, which was necessary to meet requirements, was close to peak output with present facilities.

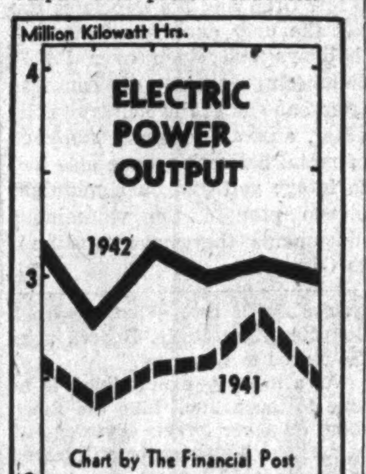
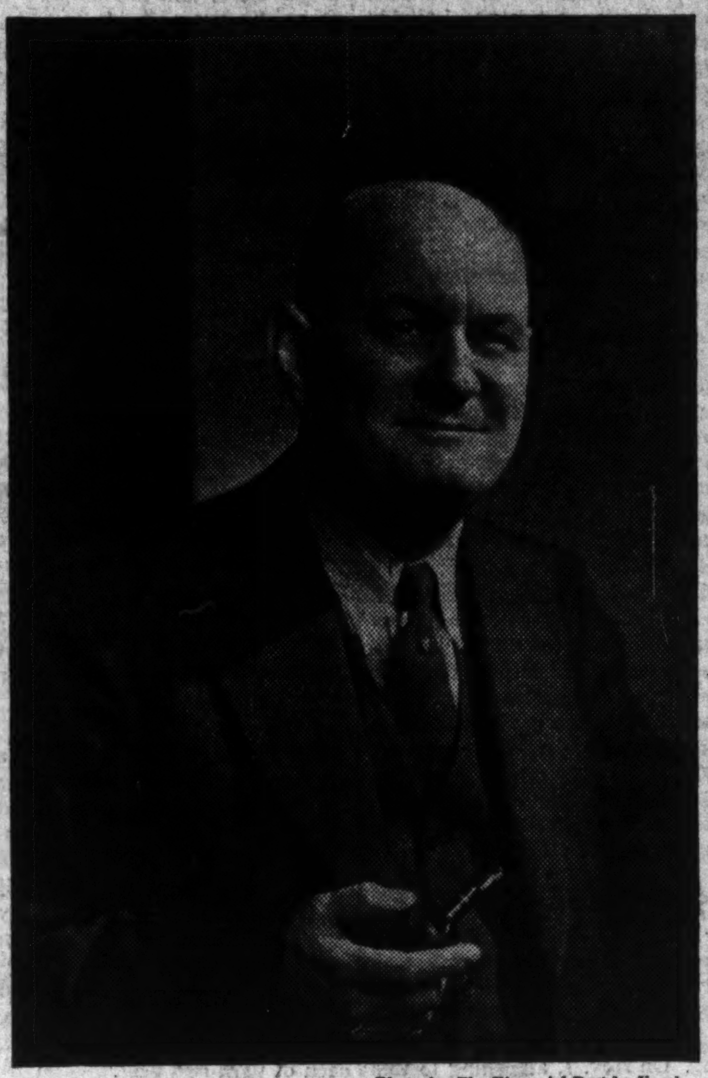


Chart by The Financial Post

Directs Labor Control



—Photo for The Financial Post by Karsh.

Busy trying to find a solution for one of the nation's toughest problems, the manpower shortage, is Labor Minister Humphrey Mitchell. He'll have a major say when Ottawa fixes a definite policy for rationing labor. This rationing is said to be due soon. Big, bluff, a trade unionist from his youth, Mr. Mitchell was born in the south of England, saw the world from the deck of one or other of His Majesty's men-o-war, finally left the Royal Navy to come to Canada and work as an electrician in Hamilton. He served in the Navy in the last war. Afterward he climbed the political ladder from Trades and Labor Council to Hamilton City Council to Parliament.

Officials Hit Rumors Of Wide Rationing

By STAFF WRITER

OTTAWA. — Rationing officials say no further rationing of everyday necessities is likely in the near future and strongly condemn the actions of those who spread rumors.

Recurrence of such rumors result in "runs" on various commodities. Ottawa has recently had a heavy run on clothing due to rumors of coming rationing. In this case the story was very specific, with a definite dollar value placed on the amount of clothing a person would be allowed to buy. It is pointed out that rationing would not take such a form but would be based on quantity instead of value. Toronto is having a run on soap at present. This is one run, however, that is unlikely to meet any official obstacles. So plentiful is soap that over-buying is easing the storage problem instead of creating a shortage.

Information as to how extensive infractions of the tea and coffee rationing regulations were will not be available for probably another week. The Financial Post is informed. The Wartime Prices and Trade Board intends to investigate violations such as those suggested in press reports from Winnipeg and Kingston.

The rationing order did not establish any specific quantity as the amount of tea and coffee a retailer could hold, but it was provided that "normal" stocks could be carried.

Rationing officials of W.P.T.B. are working now getting ready to distribute the new permanent ration books for consumers, as explained in The Post last week. These will be ready and in the hands of consumers by Sept. 7.

Stove Rationing

In addition they have an immediate job in arranging some kind of a rationing plan to allocate the distribution of electric stoves, manufacture of which has to cease Aug. 31. Some kind of a priority system will be established, perhaps resembling that in effect for automobile tires, although less drastic, as no interference with the sale of used electric stoves is planned.

It is recognized that an electric stove may be necessary for a householder who lives in a place where gas is not available and no provision has been made for using any other fuel.

Companies in Canada making electric stoves in which there is investment interest include Canadian General Electric Ltd., Canadian Westinghouse Co., General Steel Wares Ltd. and Gurney Foundry Co.

It does not appear that any rationing is likely of the other items of household equipment, such as vacuum cleaners, toasters, irons, grills, etc., on which manufacture has also been halted. They are not considered necessities.

Some Firms To be Shut Before Long

Metal Shortage So Grave "Non-essential" Producers Said Facing Close-down Soon

Shortage of some metals is becoming so severe and so threatening to the war effort that officials say it is now inevitable that in the near future some firms will be going out of business.

These will be firms now engaged in the production of "non-essential" goods for civilian consumption and which use vital raw materials.

Officials are very blunt that it is too late to start converting for war purposes now; that permission and facilities for doing so will not, at this stage, be granted. Hence, firms in this category which may be able to escape closing will be those which are now ready, with hardly any adjustment of plant or procurement of new machines, to turn to war production.

Washington officials have just recently announced this policy of no more conversion to war work and their attitude is: "We're putting some of our own firms out of business and it is only fair that some Canadian manufacturers be affected in the same way.

Enough Plants for Supply

It is officially estimated at Washington that there is now ample capacity for war work in view of the raw materials available and that until there is more stuff available to process, there is no justification either in letting plants consume vital raw materials or in letting them tie up manpower and machinery.

Washington policy affects Canada in this regard because of Canada's great dependence on the United States for some vital raw materials and as a corollary of that, because the United States and Canada are now tied together industrially by the P.R.P. priorities system.

"Whether anybody likes the P.R.P. system; likes or dislikes having U. S. and Canadian industry tied up in the same priority scheme, is entirely beside the point," an official told The Financial Post. "We can't get along without the stuff we get from the United States."

Plan for Small Business?

Rumored as likely to emanate from Washington in the near future is a modified P.R.P. plan for the "small" business. At present it applies only to firms requiring more than $5,000 per month of critical raw

(Continued on page 2, col. 1)

Farmers' Income May Set Record

Cash income of Canadian farmers is expected to be well above $1,000 millions this year. At this level it would compare with $700 millions in 1939. There is an excellent chance that the final total will be greater than the previous all-time record of $1,056 millions in 1929.

Aiding the large gains in farm cash income are the current bumper crops now being harvested. Late estimates suggest a wheat crop of upward of 550 million bushels with sales of dairy products, meats, coarse grains and other farm products also promising records.

Non-war Industries Face Manpower Loss

Plan Switch of Labor From Pulp and Paper — Special Survey by all Non-war Industries Scheduled to Start This Week

By STAFF WRITER

OTTAWA.—First steps are being taken this week to divert manpower from major peacetime industries to war production. Pulp and paper will lead the parade, The Financial Post is informed, with a survey of the whole industry scheduled under the supervision of Elliott Little, Director of National Selective Service.

Similar surveys of other industries will follow, it is understood, with first emphasis placed on those not working at full capacity. Responsibility for determining which industries are to be surveyed and if necessary reorganized will be shared by Wartime Prices and Trade Board, as arbiter of civilian supply and the Director of National Selective Services as arbiter of manpower. The plan worked out for dealing with pulp and paper will probably be adopted in other cases.

Why Pulp and Paper?

Reasons for selecting the pulp and paper industry for the initial effort in this direction are fairly simple. Most important is the fact that this industry is not working at capacity at present. It has a margin of about 30% which means that for mills having staffs capable of operating at 100%, short work weeks are in effect—either the plant operates perhaps five days a week or it shuts down one or more of its paper-making machines entirely. The fact the pulp and paper uses such a high percentage of Canada's electric power is another point.

This means that perhaps 10,000 men can be spared by this industry while still permitting it to produce all the paper that our own and export markets need.

This joint committee, including representatives of both labor and management, is to submit recommendations of how 10,000 men can best be given up by the paper industry and shifted to war work. Carrying out of this policy will be the work of Mr. Little.

Save Power and Labor

In advance of completion of this committee's work there can be no definite knowledge of what it may recommend nor of what Mr. Little will finally accept. But certain surmises seem reasonable.

In this industry there is the factor of heavy power consumption to be added to a possible surplus of labor. This is likely to mean that mills located near centres where power shortage is most severe, or using power that can be diverted to war industry, are likely to be called upon to curtail their operations most. As previously mentioned in The Financial Post, this matter of power diversion becomes important in the Niagara district of Ontario and in the St. Lawrence, Shawinigan and Saguenay Valley areas in Quebec. It is not of importance at Iroquois Falls, Baie Comeau, Pine Falls or Thunder Bay district.

Little Switch of Labor

Care is likely to be taken to make as little change as possible in the domiciles of the men affected. In areas where there already exist war industries hungry for men, there is an added advantage in making any transfer. Thus in the Niagara district of Ontario there are to be found many large war industries which could employ several times as many men as are likely to be diverted from the larger paper mills in the district—Ontario Paper Co. and Beaver Fibre.

The three other paper mills in this area—Garden City Paper, Alliance Paper and Interlake Tissue—may not be affected nearly as much

(Continued on page 2, col. 3)

It's Your MONEY

. . . that is being spent to pay $1.30 a day to a certain private as a draftee in the Canadian Army.

In civilian life that private was a highly skilled technical worker employed by a company engaged in producing a vital war material. To try and find a replacement his company has spent over $400 in advertising and about four weeks in searching—without success. To maintain this essential production a foreman has had to be taken away from his regular duty of supervising 175 to 200 workers to fill in for the drafted employee.

At his job that drafted skilled worker made $7 a day. If and when an adequate replacement is found for him it will mean that the replacement will have to undergo a period of training under a supervisor, probably for a good many weeks. That will mean taking up the time of two men instead of one, and with the trainee starting at a moderate wage a cost of around $13 a day instead of $7.

10 Million Hogs Needed For 1943

By STAFF WRITER

OTTAWA. — Canadian farmers will have to market about 10 million hogs next year if they are going to fill Great Britain's enlarged demands and keep the domestic market well stocked, it is estimated here. This would represent an increase of about three million hogs over expected 1942 marketings. It would compare with 6.2 million hogs marketed in 1941, 5.5 millions in 1940, and 3.7 millions in 1939.

The British Ministry of Food is seeking at least 700 million lb. of bacon and ham compared with 600 million lb. contracted for the current year.

To boost Canada's hog marketings to 10 millions presents problems, chiefly that of persuading the farmers that raising more hogs can be profitable.

The answer may have to be some arrangement whereby hog prices can be raised above this year's top level of 19.9 cents a lb. under the present U. K. agreement.

Britain's Economic Miracle

Really Led World in Amazing Progress Between Wars

The Financial Post presents the seventh of a series of eight articles from Dr. Gustav Stolper's major work—"This Age of Fable."

A 1933 refugee from Hitler's Germany, Dr. Stolper is now serving in New York as an economic consultant.

In the accompanying article Dr. Stolper discusses the myth of a degenerate and decadent Britain.

By GUSTAV STOLPER

Great Britain, the story goes, has been paralyzed and inert during the two decades between the World Wars. Her political structure, immutable, reactionary, remained in the hands of a feudalistic class that would not let go of its lordly rights and by cunning, hypocrisy, and by that medieval stronghold, the House of Lords, kept the modern world shut out from its realm. Her economic setup is over-age, and therefore a prey to that scourge of degenerate capitalism, chronic mass unemployment.

Great Britain does not take good care of her people, lets them live in slums, feeds and teaches them badly, while the wearers of the "old school tie" arrogantly stay aloof from the urgent problems of the time in lazy enjoyment of their privileges.

British reality in these two decades is in grotesque contrast to this fable. No other country, we submit, made greater strides during that period in political, economic, cultural, and social respects than Britain. None tackled more of the problems of our time, did so with more creativeness and energy, was rewarded with richer returns. The other great European nations fumbled, broke down under factional conflicts, floundered through catastrophes and revolutions. Britain with valiant effort cleared her atmosphere of the post-war fumes in the course of the 1920's and after the world-wide depression of the early 1930's achieved the quickest and most all-round recovery of any great nation in the world.

As to economic matters: During the depression Britain never sank to such economic and social depths as the other great countries; in the recovery she made a far better showing than any other in Europe, in many respects better than the United States. She never submitted to inflation, never had unbalanced budgets; she preserved her unique organization of a world-wide credit system in perfect order. Not for a moment did her banking system totter, although exposed to most shattering jolts from Continental and American bank collapses.

Britain in these two decades rehoused one third of her population by building more than four million new houses, about half as many as in her entire previous history, and that progressively without public assistance, out of free enterprise and the voluntary savings of her citizens. She built up a series of huge new industries, followed by a large-scale internal migration from the depressed areas of decaying industries in the North to the new thriving industrial centres in the Midlands and the South. Thereby the industrial equipment of the country was greatly modernized.

Only a tiny fraction of her working population was permanently unemployed, and all the unemployed were better cared for than in any other country; the totals of the unemployed never rose to anything like the figures in Germany or the United States, and the totals of those employed at a sustained wage level showed a remarkable increase.

As to social matters: The old British trade unions—after the experiments of the first turbulent half of the 1920's had been brought to a democratic solution in 1926—continued their historic march as the vanguard of the

(Continued on page 8)

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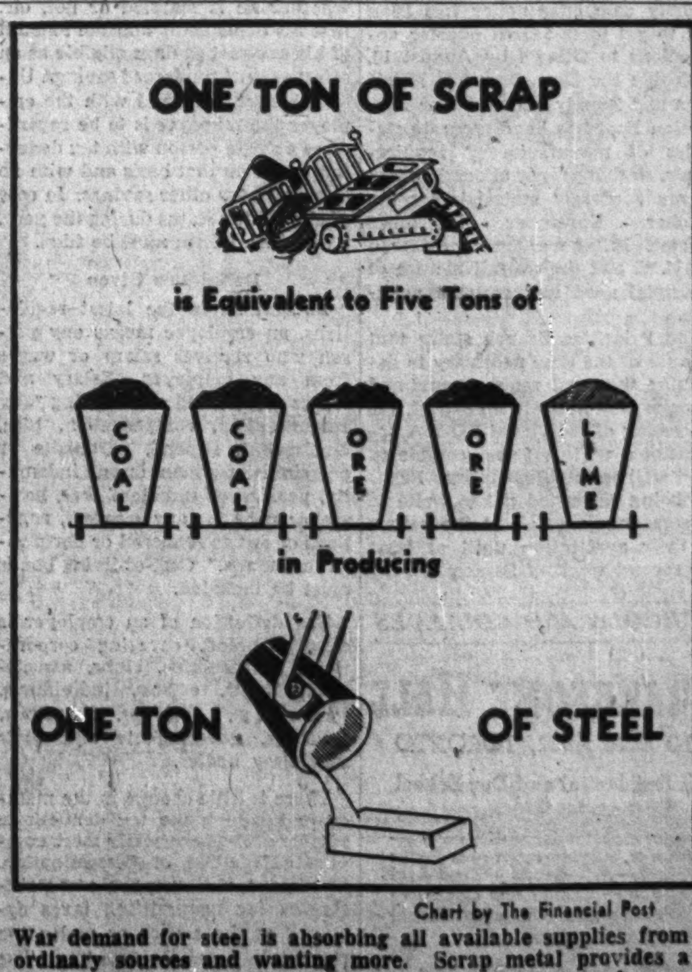

Chart by The Financial Post

War demand for steel is absorbing all available supplies from ordinary sources and wanting more. Scrap metal provides a short cut to supply. The chart shows how every ton of scrap salvage saves five times its weight in coal, ore and lime in producing a ton of steel. Every bit of scrap metal therefore is urgently needed.

MEN'S SHOP

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Moccasins, pair 10.50
Manfields, pair 12.50
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FREE PARKING WHILE SHOPPING

MEN'S SHOP

Civil and Military Outfitters

at EATON'S - COLLEGE STREET

Some Firms To Be Shut

(Continued from page 1)

materials. U. S. authorities are reported in well informed quarters to be working out a scheme to control raw materials for the smaller operators.

Along with their U. S. brethren, Canadian industrial offices are now slaving hard to get out the information which is required under the P.R.P. priorities scheme.

Greatest difficulty reported is in giving a complete breakdown of inventory. It is not a difficult operation for firms which have had an efficient and continuous system of inventory control. But for others it is a major headache. Adding to the difficulty is the fact that a good many Canadian firms, rushed with business, did not bother this summer to make their usual rough survey of inventory which would have helped somewhat in filling out the P.R.P. forms.

Some 1,500 Firms Affected

Some 1,500 firms are understood to be within the designation of Class 1 Producers, for whom it is mandatory to operate under the Production Requirements Plan. A Class 1 Producer is a person, plant, or company which consumes $5,000 worth of metals in certain forms within three months.

There are a few exceptions to this ruling, but the majority of large manufacturing concerns are filing PD-25A Forms and operating under P.R.P.

The major exceptions are as follows: Producers engaged in primary production of basic metals; distributors, wholesalers; builders; companies engaged in transportation; utilities, including light, heat, water and gas companies; mining companies, and petroleum enterprises; communications, including telephone and telegraph; companies engaged in sewage and drainage operations.

Canadian firms required to obtain priority assistance under this Plan had to get their fourth quarter applications to Ottawa by August 10, to enable the Department of Munitions and Supply and the War Production Board to have accurate statistics of manufacturers' requirements, so that proper allocation may be made of raw materials for the October - November - December quarter. Filing was the same date in the U. S. and the overall picture of industrial need will soon be available.

The Priorities Branch states that because of the time necessary to determine the total requirements and to make allotments to industries, the processing of individual PD-25A applications will not be completed until well on into September. Firms are being requested not to write to Ottawa enquiring about the return of their application until at least the second week of September.

SCHOOLS AND COLLEGES

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A Residential and Day School for Girls
Junior and Honour Matriculation—Nursery, Kindergarten and Junior School—Art—Music—Household Science — Secretarial Course — Swimming Pool—Skiing at School Farm.
School re-opens Sept. 9th
For illustrated calendar write the Principal
MISS EDITH M. READ, M.A.

Plans Ready For Source

(Continued from page 1)

paid entirely on commission and have to pay their own expenses, no deduction at the source will be made. Such taxpayers have to "make an accounting" showing their income from commissions, less deductions for expenses, and pay their tax quarterly. First payment at current rates wil come Oct. 15 next, with additional payments due Jan. 15 and the final payment April 15, 1943. In these three payments such taxpayers will have to complete adjustment of their total taxes to correspond with the new 1942 rates and make allowances for errors in estimating the amount in the early payments.

Where a man receives a commission and a salary, with his expenses paid by his employer, the regular rate of deduction at the source must be made.

Professional Men

Professional men are on the accounting basis and required to make quarterly payments, filing their returns April 30 instead of Sept. 30, 1943.

Essentially the new tax deduction tables consist of three columns. The first column shows the income; the second shows the total applicable, including the forced savings portion; column three shows the maximum amount by which the taxpayer can offset the forced savings portion through life insurance premiums, mortgage payments, pension payments, etc.

Taxpayers wishing to offset such types of contract savings against the forced savings portion of their tax must file with their employer form T.D. 1. This form sets out the tax status of the taxpayer—that is whether he is married or not, etc. lists his dependents and the amount of his contract savings eligible as an offset against the forced savings. Unless this form is filed with the employer the taxpayer is to be regarded as a single person with tax deduction made on that basis and with no allowance for other savings. In case of altered tax status during the year, a new T.D. 1 form must be filed.

Definitions Given

As defined in the latest regulations, an employee means any person who receives salary or wages from any employer. Salary and wages are defined as including "any remuneration, compensation, hire, emolument, stipend, perquisite or any similar payment or any indemnity, pension or directors' fees, howsoever paid for any services, functions or duties rendered or performed in Canada." Cost-of-living bonus must be included.

The definition of an employer is equally broad, covering corporations, partnerships, clubs, associations, trusts, estates, individuals, schools, societies, hospitals, churches, governments and their subsidiary bodies.

There is little change in the method of handling the tax deductions, outside of the necessarily more complicated method of determination. Employers will use the same mechanics for transmitting taxes deducted at the source as under the present National Defense Tax. The transmittal form is only slightly altered, chiefly to give it a new name to correspond with the other new set of forms.

Non-war Industries Face Labor Loss

(Continued from page 1)

as the other two, primarily because manufacture of newsprint requires perhaps three or four times as much electric power per ton of paper produced as does manufacture of fine and specialty papers. On the other hand, the ratio of steam required in processing is the reverse of the power ratio, thus permitting a fine paper mill to be entirely or nearly self-sufficient for electric power through use of its surplus steam.

The question of housing has to be considered. There is little to be gained by moving men from northern Ontario where there is no shortage of housing to southern Ontario where there are war industries but no houses. Thus to the extent that it is possible, it is likely that war work will be taken to the paper mills rather than the paper mill labor to the war work. It might happen, for example, that a newsprint company on the St. Lawrence near a shipbuilding centre could undertake the fitting out of corvettes or minesweepers. Such an arrangement would relieve the shipbuilding company of congestion in its shipyards, permit it to do its portion of the job faster and provide vital war work for the spare newsprint workers without any necessity of them having to move from their homes. It would also permit the newsprint company to keep a greater portion of its work staff under its control.

Such arrangements, however, will not always be possible and there will have to be some moving of workers from one area to another. It is hoped that this moving can be done without too much difficulty, but it appears that authorities are prepared to use considerable persuasion if necessary.

Wage Problem

Also tied in with this whole question of the shifting of workers from one industry to another is that of wages. Indications are that much stronger efforts will be made in the future to achieve a rational wage policy which will mean approximately equal wages for comparative jobs, not only in the same area, but probably across the whole country with allowances made for different living costs. Such a rationalization of wages is regarded in Ottawa as an essential portion of a satisfactory policy to require workers to shift from a non-essential industry to one that is essential to the war effort.

For the newsprint industry, however, it seems reasonable to expect that there will have to be some reorganization of the whole industry. While some mills—those in the Niagara district of Ontario and in Quebec which are convenient to important war industries or use power that can be diverted to more important work—are closing down or curtailing activities sharply, others in remote districts will be asked to speed up and handle the output of newsprint normally made by other members of the industry. It will be, in effect, pro-rating on a new scale and for a new purpose. Newsprint mills at Iroquois Falls, Fort William or Port Arthur, Baie Comeau in Quebec, in Manitoba, will be expected to handle the job of producing newsprint under some arrangement whereby the mills restricted get a proportionate share of profits or earnings.

So far as can be learned at present this is the general outline of policies and methods likely to be adopted for this shift of manpower from non-essential to essential industry—or into the armed services.

Mining Industry

Another example is the meeting in Toronto this week of representatives of the mining industry to work out ways and means of finding within this industry enough men to run certain important additional capacity for essential metal production now coming into operation.

Other examples will develop in various industries within a short time although it does not appear that those in charge of the manpower policy have yet worked out a schedule of the order in which they will move from industry to industry. The plans will take a few weeks to develop with a vital feature expected to be the growing tendency to concentrate all matters concerning manpower for administrative purposes under National Selective Services, a department which now lacks authority to allocate manpower as between industry and the armed services. This fact is often regarded as a serious weakness in Canada's present policy and is said to be slated for early remedy.

Bank of N. S. to Cut January Dividend

The Bank of Nova Scotia has declared the regular dividend of $3 a share on the capital stock payable Oct. 1 to shareholders of record Sept. 15.

The bank has notified its shareholders that the next quarterly dividend, payable Jan. 2, will be $2.50 per share. It explains in the official notice that the effect of the new rates of excess profits tax effective July 1, 1942, will be to leave a balance of earnings insufficient to permit continuance of the present rate of dividends.

Bank of Montreal Elects Director

John A. MacAulay, K.C., Winnipeg, has been appointed a director of the Bank of Montreal. He is a member of the legal firm of Aikins, Loftus, Aikins & MacAulay; vice-president of General Assets Ltd., director and secretary, Safeway Stores Ltd., and Macdonalds Consolidated Ltd., director of Gunnar Gold Mines, Ltd., and Eldorado Gold Mines, Ltd.. He is also president for Manitoba of the Boy Scouts Association.

The War and Business . . .

Japs Moved

Latest word from Ottawa is that the job of moving 23,000 Japs from the coastal area of British Columbia is about two-thirds completed, all but 8,000 having been transported to districts where they are less of a menace. Of the Japs left in Vancouver, 3,000 are penned up at Hastings Park, and the rest are women, old men, or boys and girls under 18. Plans are to take them to interior districts, probably abandoned mining towns, by Sept. 13. This will permit families to be reunited. Efforts are also being made to place some of them on farms in the east. Japs still in the lower Fraser Valley, chiefly women and children, were left to help harvest the fruit crop, which will be made into jam for Britain. They are under close supervision.

* * *

Tea From India

The Empire Tea Bureau at Toronto calls tea rationing "a timely reminder of the extent of the United Nations' dependence on India," and points out that India ranks second only to China as a tea exporter. Indian tea exports amount to 42% of world requirements. These exports, about 380 million pounds a year, are grown in 5,000 tea gardens which employ one million workers. "India's annual tea harvest is now reaching its peak and the extent of shipments during the next few months will determine whether or not Canada's weekly one ounce ration will be increased or allowed to stand," a circular from the Tea Bureau states.

* * *

Trucking Limited

Many small companies which look after their own distribution are greatly concerned over the new W. P. T. B. order A-314 which limits the range of private trucking. On Nov. 1, according to this order, such a range will be confined to 35 road miles. Many of these firms, especially those that operate in the country, truck their goods a great deal further than this and in the past have not made a practice of using other carriers. In most cases they do a farm or village business, trucking bulky supplies to customers within a range of 50 or 100 miles.

* * *

Cheese Boxes

Cheese producers in Ontario and Quebec are seriously concerned about the shortage of cheese boxes. These are made of light plywood, from elm or some such tough wood, and are circular in shape. They are decidedly a specialty proposition and usually come from small plants located in the cheese districts.

Two weeks ago the situation became serious with many hundreds of cheese of approximately 60 lb. in weight left in store rooms of the factories. It was unable to ship them without boxes. The Belleville (Ont.) Cheese Board has been assured by W. P. T. B. officials that if necessary members of the Armed Forces will be drafted to cut the vital veneer for the boxes. Cheese production is in full swing in eastern Canada at the present time and requires thousands of boxes weekly to pack cheese for shipment, largely to Great Britain. Under the present export policy of the Department of Agriculture, practically 80% of cheese produced in Canada is earmarked for export to the British Isles.

* * *

More Sheep

The Ontario government has a plan for increasing sheep flocks by 25% by 1943. It is expected that eventually the move will relieve the present tight situation in regard to beef and pork, but it will be at least a year before any substantial expansion of mutton can be expected. Normally, Canadians consume a relatively small quantity of mutton, about 8 lb. annually, as compared to 65 lb. each of pork and beef.

* * *

Osteopaths and Service

Canadian osteopaths are urging that the government recognize them as qualified physicians and surgeons and use their services in the armed forces. "All we ask of the government is recognition of our special talents," says a brief sent to Elliott M. Little, director of national selective service, by the Canadian Osteopathic Association. "Steamfitters, carpenters, ministers and others who have enlisted have been assigned to tasks to which they are eminently suited. Medical doctors in civilian life are appointed doctors in the services. Nurses and physio-therapists in civil life are performing the same vital services in the army, navy and air force. Canadian osteopathic physicians merely ask to fulfil the same function in the services as they perform in civil life."

* * *

Films for Factories

In line with its policy of showing to the men who make them the vital importance of the tools of war produced in Canadian plants, the National Film Board, in collaboration with the Department of Munitions and Supply, has embarked on an extensive programme of industrial films.

These films are made about the workers and for the workers. By showing Canadian equipment in action on world wide fighting fronts, they stress the tremendous importance of every job now being done in our factories. Even the smallest, most monotonous operations, taken against the pattern of United Nations industrial production, emerge as links whose strength is a measure of the reliability of a gigantic production chain.

Films have already been released on automotive and tank production, shipping and aircraft industries. Planned, or in active preparation, are films on gun manufacture, small arms, explosives and trainer planes.

* * *

Wholesale Prices Up

Wholesale prices rose more sharply between mid-June and mid-July of this year than at any time since price ceilings were instituted last December, states the August letter of the Canadian Bank of Commerce. Actually price movements were few, but the commodities most affected such as potatoes, certain classes of meat and to a lesser extent eggs, shot the average higher.

Canadian payrolls in June were twice the 1937 average and Canadian industrial activity was more than 10% above the corresponding month a year ago.

* * *

Midnight Oil

Weekends don't mean a thing any more to the staff of the Priorities Office at Ottawa. Such is the flood of applications being filed under the new Production Requirements Plan, according to W. E. Uren, Priorities Officer, that it has been necessary to work Sundays, holidays and evenings to keep abreast of them. More than 1,000 firms designated as Class I Producers have already filed.

Mr. Uren and his associates are not the only ones who have lost holidays and sleep over P.R.P. Purchasing agents of concerns from one end of the country to the other, anxious to avoid stoppage of metal deliveries, have also had to forego golf and burn midnight oil to prepare the voluminous documents they have to submit to Ottawa.

London Calling by Adelphi

LONDON.—This is the eve of August Bank Holiday, that festival which is so deeply enshrined in every Englishman's heart. No one has ever asked why the banks should take a holiday, or why such a fuss should be made about it. The people accept it as an integral part of the British life and character.

In the last two or three decades, however, August Bank Holiday has taken on a sinister complexion. It was on that day in 1914 that Sir Edward Grey announced in Parliament that we had delivered an ultimatum to Germany. It was August Bank Holiday in 1938 when Hitler, on the eve of his Nuremburg rally, delivered such a ferocious speech about Czecho-Slovakia that war seemed imminent. It was one year later, the last of the peacetime August Bank Holidays, when the Germans began to move their Divisions toward Poland. To the Englishman the month of August is sacred, a period of time dedicated to a crowded leisure. To the Conqueror and the Dictator it is the climax of war. The earth is firm and armies can march beneath a clear sky by day and bivouac in the summer air by night.

So we approach August Bank Holiday, 1942 and already the guerilla warfare has started between the authorities and the public. No private motoring is permitted, no one can take a taxi more than 10 miles, no extra trains will be put on, no additional omnibuses or underground trains. Practically all the seaside resorts are prohibited areas and even if you do join in the crush at the stations, official placards ask you: "Is your journey really necessary?"

If a man is a philosopher and thinks that a good day's drinking of beer at the local "Pub" would fill the bill as well as his stomach he will probably find that by noon there is no more beer. And if later in the day he would compromise with a cup of tea and a boiled egg he will be reminded that the egg has become merely a memory. It is a month since I have seen an egg. Which reminds me of an amusing incident in a London Cinema last week.

* * *

There was an American "short" showing a monkey with an ingenious mind. The monkey wanted to get at a great cluster of bananas which was hanging high—and the point of the picture was the way the monkey did it.

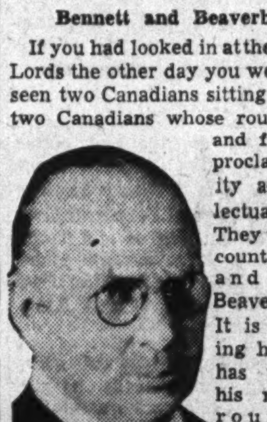
But the audience did not bother about the monkey. There was such a sigh at the sight of the bananas, then groans, then cheers. Never have bananas stolen a picture before, but they did this time. You see, it is nearly three years since the last banana was imported into England.

Well, that is enough about August Bank Holiday. Most of the munition factories will be working, any way. As for the rest of the Londoners, I suppose a million of them will crush into a suffocating mass on Hampstead and pretend they are living a stolen and glorious hour of crowded life.

* * *

Bennett and Beaverbrook

If you had looked in at the House of Lords the other day you would have seen two Canadians sitting together, two Canadians whose round heads and firm jaws proclaim vitality and intellectual power. They were Viscount Bennett and Lord Beaverbrook. It is astonishing how R. B. has taken to his new surroundings without in any way altering his manner or his outlook. He is, in fact, becoming a dominating personality in that strange assembly which is so often derided and yet maintains a very high level of debate. Bennett is emerging as the focal point of those peers who believe that the Empire is the source of all good things to the British race and a beneficent influence on the whole world. He has a faithful follower in Viscount Bledisloe, a former Governor General to New Zealand, and he also commands an almost fanatical support from Viscount Elibank who does not speak as well as Pericles but has the Empire written on his heart.



BENNETT

"R. B." does not reveal his innermost thoughts but those closest to him feel that nothing which Westminster can offer will ever obliterate the lure of Ottawa. They wonder if he ever regrets leaving the Canadian political scene—and they know that he does. The very violence of his defeat in 1935 was almost an insurance in itself that the pendulum would swing back and carry him into office again in due course. It is true that his health was not good then but now he looks fitter than he has done for years.

He still possesses an uncanny memory. Any time of the day walking through the Park you can hear him in conversation with Canadian soldiers.

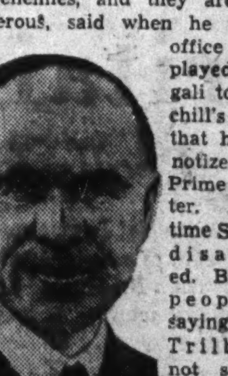
"So your name is MacKinnon and you come from Kenora. Are you Jim MacKinnon's son or Jack's? Oh you're Jack's son. What happened to your other Uncle, Robert, after he moved to Winnipeg?"

As a memory expert there is no one to touch him. Like the Bourbons he never forgets anything but, unlike the Bourbons, he still learns.

* * *

Much Discussed Peer

Beaverbrook is the most discussed man in British politics just now. His enemies, and they are sadly numerous, said when he was in office that he played Svengali to Churchill's Trilby, that he hypnotized the Prime Minister. So in time Svengali disappeared. But now people are saying that Trilby does not sing as well as when Svengali was doing his stuff. In other words there is a vague and growing feeling that there is something missing at the heart of things and that the something may be Max Aitken.



BEAVERBROOK

A few days ago some of the papers said that the Beaver was going to return to the government as Minister of Defense. Max denied it. I imagine that the rumors emanated from pretty high up and were being circulated as a feeler. Then a further, and not unamusing incident occurred. A certain Canadian-born M.P., whose name is not unfamiliar to you, gave a private dinner party at which 25 M.P.'s were asked to meet Max.

It was agreed at the dinner that nothing should be repeated and that the whole thing was off the record. Despite that the "Star" came out next evening with a full and accurate account of the whole affair. What is more, the Prime Minister's secretary had a complete list of the guests on the desk the next morning. The "News of the World" announced that the Canadian-born M.P. was to give another dinner of the same character this week. It did not take place, however, and will not.

My own opinion is that Max is in no hurry to go back but that eventually he will have to take office again. The stumbling block is Ernest Bevin who is no mean dictator himself and does not like men about him who issue orders like claps of thunder.

HOLD HIGH THE TORCH OF FREEDOM

Co-operating Now As Always With All Canadian Industries

Credit needs of industry today differ from the needs of peace-time. Industry's war efforts are financed largely by our Government, but the Bank co-operates in two important ways: First, by commercial loans made directly to industries to speed up war production, thus supplementing Government aid. Second, commercial loans made to help industries carry on their everyday non-war activities.

You who are engaged in producing supplies of any kind are urged to confer with the Bank of Montreal concerning your credit requirements.

BANK OF MONTREAL

"A Bank Where Small Accounts Are Welcome"

Modern, Experienced Banking Service . . . the Outcome of 124 Years' Successful Operation

Famous "Newton Downs"

All-Weather Coat

Tailored-in-England

One of the many famous makes in Simpson's outstanding selection of London-tailored all-weather coats for men. Made of fine Egyptian cotton, specially treated to repel wind and showers. Self lined for extra protection. Fly-front balmacaan style. Each 13.75.

Simpson's

THE STORE FOR MEN — SECOND FLOOR

New Ore Increases Sherritt Reserves

Indicated tonnage in Sherritt-Gordon's new low-grade ore zone was increased by about 49%, and average grade was raised to 1.27% copper, according to a report for the three months ended June 30. Two new lenses of low-grade ore were located by diamond drilling.

Using the present plant, copper from this deposit would cost about 13 cents a pound before write-offs and taxes.

Labor turnover increased and resulted in a marked decrease in efficiency, the report states.

During the three months, 180,796 tons of ore were treated, an average of 1,987 per day. Copper output was down somewhat, but costs remained practically unchanged. Shipments of zinc concentrates began in June.

At the Josephine Mine, the shaft being sunk was down to 728.6 ft. by the end of June. The lake overlying the deposits was being pumped out. Diamond drilling of siderite deposits on an adjoining property was continued with satisfactory results.

Concentrates

Wendigo Gold during the month of July milled 2,237 tons of ore and recovered bullion with a total value of $34,700, average recovery per ton being $12.43.

* * *

Cournor Mining directors were re-elected at a routine annual meeting held at Montreal on Aug. 6.

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50th Anniversary

To mark its 50th anniversary the Great West Life Assurance Co has issued a colored atlas of the world. This has been made available to the company's agents who purchase it on a part cost basis and arrange their own distribution. It is understood the atlas has met with a good demand, people's interest in maps being especially keen under war conditions.

Classified Advertisements

Classified ads. cost 6c. per word and figure for each insertion. Minimum ad. 12 words. Add six words when box number is required. When replies are to be mailed to advertiser, add 10c. Classified ads. payable in advance. Contract rates on application.

Executive Available

FORMERLY General Manager of large food establishment, doing three million sales. Staff four hundred, directly controlled all departments. Interview respectfully appreciated. Box 48, The Financial Post, Toronto.

This Week The Financial Post Asks

Should we close all university courses except those training war specialists?

J. O. Adams

Editor, The Peel Gazette, Brampton, Ont.

Practically all university courses with the exception of some of the arts are of a scientific nature necessary to the waging of war, whose scientific side has developed greatly in the past 25 years. It should be kept in mind also that university courses are only of six months duration each year.

Considering that there are still thousands of Canadians engaged in non-essential enterprises and business, I would regard the closing of university courses a blow to our war economy, particularly should the war be of long duration.

I believe that this step should be taken only after a number of the sources of manpower are exhausted.

* * *

T. F. Ahearn

President, Ottawa Electric Railway Co., Ottawa.

Before universities close some of their courses which would result in disbanding many of their faculties, it seems obvious that they would seek guidance and direction from the Prime Minister and members of the War Committee of the Dominion cabinet.

There seems to be a feeling among the general public that many young men, and some young women, who should be in the armed forces or essential war work are attending universities. Could not the universities set up graduate committees to examine all students and determine whether they should be permitted to attend?

* * *

E. James Bennett

Chartered accountant and prominent business executive, Toronto.

I have had no opportunity of considering the arguments against the proposal, but as at present advised I would favor the suggestion. It seems absurd that fit young men and women should have facilities to pursue their studies as in peacetime while their contemporaries are fighting for them or engaged in war work. Members of the university staffs should be given government war jobs thus releasing those of military age.

After the war returned men and women, especially those who volunteered early, should be given special consideration and inducements by the university authorities. I do not know the medical situation but suggest that only medical students of three years' standing and over should be allowed to continue studies.

* * *

Lucien Borne

Mayor, Quebec City.

I consider that all graduates from universities can be of great help in all essential war services. Their knowledge and education will still be more needed after the war. Therefore university courses should not be interrupted for the duration.

* * *

G. V. Cave

Editor and Publisher, The Express, Beaverton, Ont.

Emphatically yes. But with a proviso that the government be induced to curtail many of their civilian activities which are taking up thousands of our young men in occupations aside from the war such as unemployment insurance, additions to the civil services, etc.

We believe all our resources including manpower should be mobilized to the limit of our ability in order that all our energies be directed towards providing our fair share of the Empire's needs for the winning of the war.

R. D. Colquette

Editor, The Country Guide, Winnipeg, Man.

University courses should not be disrupted on account of the war. They should be available to those who, on account of youth or other reasons, are not absorbed in economic activities. Personnel and equipment must be maintained with efficiency unimpaired or easily restored ready to accommodate the rush of students after the war. Many industrial activities are still maintained, and will continue to be maintained, which are much less vital to the national life and the war effort than our colleges and universities.

* * *

H. J. Cody

President, University of Toronto.

Canadian universities are at present seeking to make the fullest possible contribution to the war effort. They are accelerating certain professional courses and giving military instruction to men along with academic work.

The Faculty of Arts would be chiefly affected by the proposal. This contains pure science and instructs women and youths under military age, for whom some educational provision as well as specific training for war aid must be made.

The question cannot be answered offhand, as most courses have some relation to the war and to the future development of Canada. Universities are now economizing to the limit and can be counted on not to waste their efforts.

* * *

Gerard Filion

Secretary, L'Union Catholique des Cultivateurs De La Province de Quebec, Montreal, P.Q.

No. In our opinion any person with university training can contribute directly and indirectly to this country's war effort. It is advisable to go on training these men who will be needed so much after the war during the period of social and economic reconstruction.

* * *

Harry J. Ford

Editor, Lacombe Globe, Lacombe, Alta.

The urgency of necessary manpower for the battle for world freedom would favor tapping every source of the nation and the closing for the duration of all universities except courses for vital war needed specialists.

The United Nations are a long way from winning this war and I condemn the lethargy of the Dominion government in conscripting all manpower. The plebiscite clearly expressed public opinion on this matter. We must come to this and the sooner the better as the "too late" signal has been forcibly and disastrously brought home to us too often in past reverses.

* * *

W. M. Houston

Managing Director, Houston, Willoughby & Co., investments, Regina, Sask.

The war effort must be paramount. Therefore, if maintenance of university courses interferes there should be no delay in making the necessary decisions. However, in this as in many other matters, careful investigation usually finds those charged with responsibility are patriotic, intelligent Canadians and are moving as rapidly as circumstances permit toward the common goal of defeating the Axis power.

* * *

A. S. McFarlane

Chief Superintendent of Education for New Brunswick.

I do not favor closing for the duration all university courses except for war needed specialists such as doctors and engineers.

College graduates are required to man high schools so that boys may be prepared to become doctors, engineers, lawyers, ministers and business executives.

College courses in English, French, economics, history and other subjects are a fundamental background for war needed specialists.

If during the war we educate for war services only, where shall we get the men required after the war for non-war services?

* * *

Stephen Leacock

Former head of Economic dept., McGill University, Montreal, well known humorist and writer, now living in retirement at Orillia, Ont.

In wartime all colleges should stress knowledge that helps to win. Greek should sleep again, poetry fade, law keep silent and history skip two thousand years. But war needs brains and brains need training. Let us close the Jap colleges not ours. In any case a large part of every university is directly contributory to the operations of war. This includes, broadly, the whole of engineering science and medicine.

The arts faculties in peace are very largely, and under war conditions mainly, composed of women students. They can combine study and war work with all summer for agriculture. Till men reach the actual day of enlistment they are better in arts in college than anywhere else in the world.

Theology should remain open and keep hell open in the war. What is left to close except the professors and they would be a nuisance if at large?

* * *

J. H. Monteith

Editor, The Guide, Killarney, Man.

Total war means total mobilization of all manpower and resources. To make this effective I would favor the closing of all universities for the duration except for war needed specialists such as doctors, engineers and scientists. Girls and military exempt students could be drafted into essential occupations.

Credits would be advisable for lost time, whereby courses could be shortened after the war. This would need careful consideration.

The closing of universities is coming so why not close them now. It is better to close them ourselves than have them closed for us. The above is the considered opinion of bankers, educationalists and former university students interviewed.

* * *

Robert Newton

President, University of Alberta, Edmonton, Alta.

With education the key factor in adjusting political and social systems to technological progress we cannot afford complete hiatus in preparation of leaders in any aspect of life. In the University of Alberta students who are making satisfactory progress in medicine, dentistry, engineering or science are encouraged to continue until graduation.

Other students of military age and fitness may be called up immediately unless they maintain honors standing in academic subjects and good progress in training as army officers or air crew. In short, students can remain in university only if thereby making themselves more useful for the war effort.

* * *

F. W. Patterson

President, Acadia University, Wolfville, N.S.

I regard the suggestion as fundamentally unsound. The great majority of male students today register in science, engineering, pre-medical or pre-dental courses. The withdrawal of other courses would add little to available manpower, would weaken seriously the essential war courses, and would cut off a greatly needed supply of teachers without which the high schools could not prepare students for science, engineering, medicine and dentistry.

Graduates in other faculties than engineering and science are needed also in other branches of special service. In any event a large number of these enlist immediately upon graduation. The supply available after enlistment does not begin to equal the demand. The policy suggested is essentially shortsighted from the standpoint of the national good.

* * *

J. B. Reynolds

Former president, Ontario Agricultural College, now farming near Port Hope, Ont.

To close universities, or any part of the courses, as an economy or a war measure, seems to me to begin at the wrong end. The government is supposed to have a selective service. If any branch of essential public service can use professors or students the government has power to draft them. Why throw teachers and students out of employment until places are found for them in essential service. The other day I talked with a retired banker aged 60, vigorous and alert. He said he had been trying for more than a year to find employment and had failed.

* * *

R. S. Smith

President, R. C. Smith & Son, Ltd., advertising, Toronto.

I am not in favor of closing university courses for the duration of the war. I understand that the Department of Defense has agreed not to call any people taking advanced education. As it is there will be a shortage of teachers throughout Canada.

* * *

George J. Trueman

President, Mount Allison University, Sackville, N.B.

University students may be roughly divided into the following overlapping groups.

1. Those preparing for professions, such as medicine, dentistry, engineering, the church, education.

2. Those doing research in a hundred fields, partly to discover new truth and to test the validity of other men's conclusions, partly to apply these discoveries in stimulating human progress and relieving human ills.

3. Those who aim to acquire useful knowledge, and skills, to learn to assemble data and draw sound conclusions, to accustom themselves to living peacefully and helpfully with other people, and to preserve the cultural heritage of the race.

The universities must be kept open. Why fight to preserve our civilization and then throw it away ourselves.

* * *

Dr. J. C. Webster

Noted historian, Shediac, N.B., and former professor University of Chicago Medical School.

Education should be last to make war sacrifices. Good teachers should be mobilized only as a last resort after conscription of all other fit young men has been enforced. The proposal is unfair to our young folk now ready for advanced education. Let us not curtail but extend and improve even now so that we may develop a higher standard of trained minds among citizens, especially those who will become political and military leaders.

Germany's remarkable success is mainly due to highly trained minds dominating all fields of activity. I urge more and better ducation even in wartime and the elimination of incompetent teachrs and poor institutions.

The WESTERN SAVINGS and LOAN ASSOCIATION
HEAD OFFICE: WINNIPEG, MANITOBA
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221 A 8th Ave. W. - - - - - Calgary, Alta.
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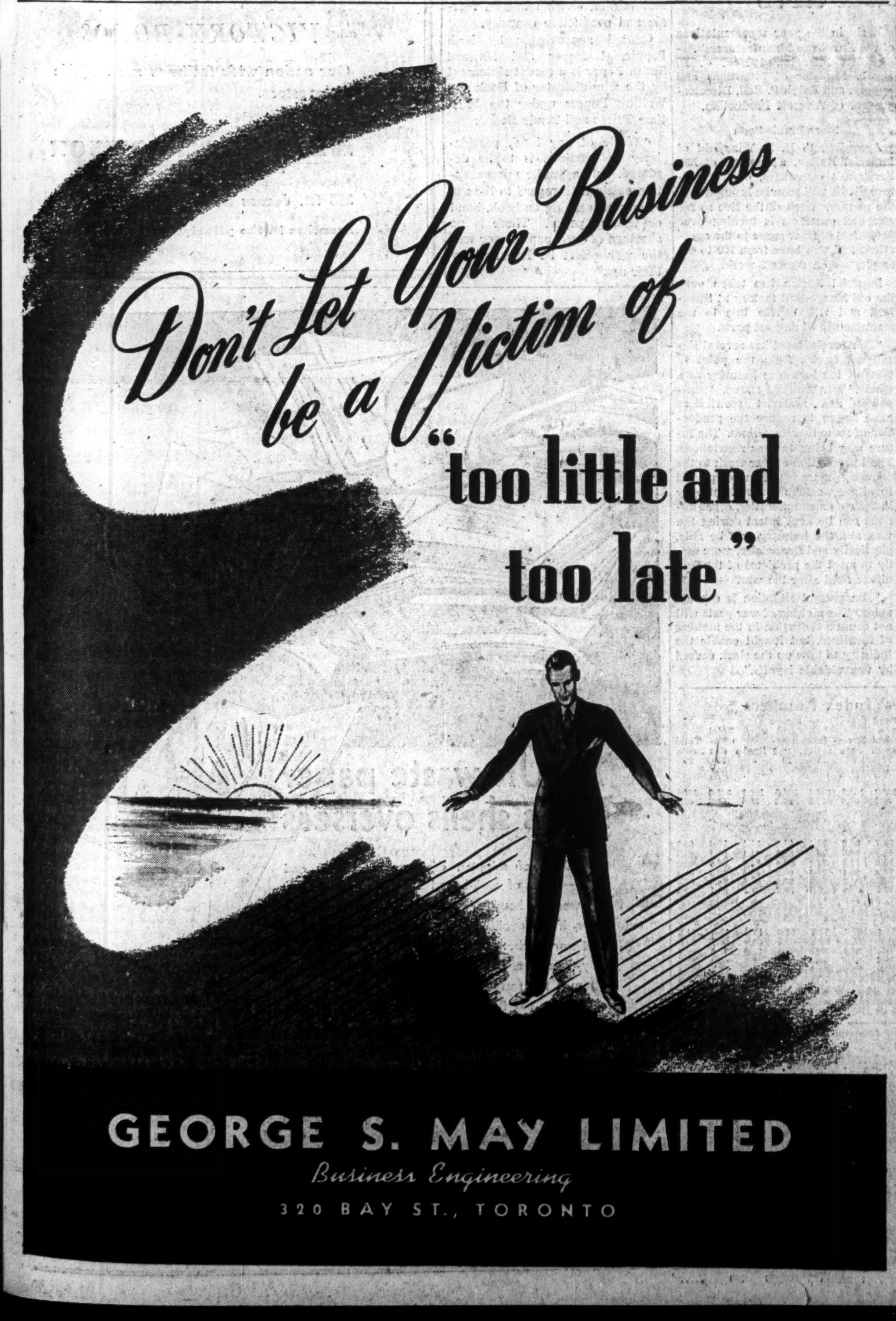
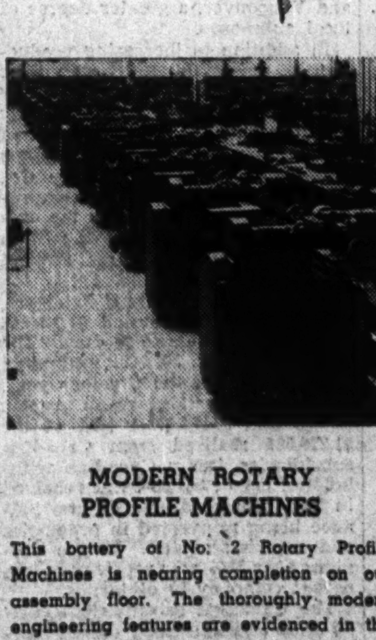


CONTRIBUTING 100% TO CANADA'S WAR EFFORT

• The plant shown here is the new Modern plant on Montcalm Avenue, York Township, Toronto.

KEEPING DEMOCRACY TOOLED-UP

For Victory!!



MODERN ROTARY PROFILE MACHINES

This battery of No. 2 Rotary Profile Machines is nearing completion on our assembly floor. The thoroughly modern engineering features are evidenced in the clean-cut outward appearance of these machines.

Manufacturers of

Tools, Dies, Jigs and Fixtures; Precision Gauges, Die Casting Dies, Bakelite Moulds, Cellulose Acetate Injection Moulds.

The tremendous job of production which this war has necessitated, goes far beyond any known in peacetime. For, in addition to producing armaments in overwhelming numbers, is the fact that men's lives and Victory depend on their quality and accuracy.

In the daylight plant of Modern Tool Works shown above, special facilities have been developed for the mass production of high speed, high quality repetition work machines. For the first time these precision machines are being designed and produced in Canada not only for use in this country but in the United States and England as well.

Whatever the machine tool problem is, if it's for Victory, our experienced engineers and highly skilled staff are ready to apply new methods, new ideas, to reach a thoroughly "MODERN" solution. Our organization is at your service.

IT MUST BE MODERN
MODERN TOOL WORKS Limited

Commodity Corp. Broadens Field

Government Purchasing Organization Expected to Take Over Handling of All Tea Importing; Controls Coffee and Cocoa Imports

By STAFF WRITER

OTTAWA.—Activities of Canada's Commodity Prices Stabilization Corp. have been expanding steadily since it started operations a few months ago.

Recently it was indicated that it will purchase and import all of Canada's entire supply of tea from the British Ministry of Foods. The Food Ministry, in turn, is understood to be arranging to purchase all Empire-grown tea, reselling to the Dominions and Allies. This deal will likely be completed before long.

Officials of the Commodity Prices Stabilization Corp. make it clear that this will not be a development arising from Canada's new tea and coffee rationing system. Long before rationing of tea and coffee, C.P.S.C. had been asked by the Ministry of Foods if it was prepared to handle Canada's tea supply.

However, such centralized purchase arrangements tie in very readily. Tea supplies in Canada apparently are sufficient for approximately six months. Rationing was undertaken to make supplies go farther, in the expectation that new supplies would arrive before stocks were used.

Coffee Control

Coffee imports are also under the control of C.P.S.C. although individual importers may try to secure what they want by direct import from coffee exporters in Brazil, Colombia, Costa Rica, other South and Central American countries and Kenya, in Africa.

Catch is that coffee has been ruled ineligible for subsidy by the corporation, which administers subsidies under Wartime Prices and Trade Board direction. An importer might be able to get coffee, and might, if he was lucky, get it shipped to Canada, but he could not get a subsidy on it. Without this he could not sell his coffee under the price ceiling except at a loss.

First important item the Corporation was asked to handle was raisins and currants. These are purchased from the Commonwealth Dried Fruit Board, of Australia, which has been our sole source of supply for some time. The Corporation may soon have to turn to California, another source, due to rising home demand in Australia, due partly to the requirements of the American expeditionary force now stationed in that country.

Cocoa Beans

Cocoa beans are imported into Canada solely by the Corporation. In this case it deals with the Cocoa Export Pool in Africa, a semi-government organization of exporters, and also with certain Caribbean islands such as Trinidad. It has contracted for an ample supply of cocoa beans but has no assurance of obtaining what it wants. It may place an order for $2 or $3 millions worth of cocoa beans and, unless shipping is made available, not receive any of them. C.P.S.C. has no liability in such cases until the goods are actually on board ship.

Beeswax is a recent addition to the list of commodities it handles exclusively. This is obtained largely from Africa, with Tanganyka the main source. Beeswax is in heavy demand for munition making, as well as for its normal peacetime uses, and Canada does not begin to produce its own requirements.

All imported bristles, such as are used in making brushes, are imported by the Corporation. Canada was caught short of supplies of bristles, which come largely from China and India, when war spread to the Far East. Processors had large orders on the way but they were still in the United States en route to Canada.

The U. S. froze bristle fibres and private importers in Canada could not get those they had ordered. C.P.S.C. took over all purchase contracts, and was able to make arrangements with the U. S. authorities whereby bristle fibres were released on the assurance that they would be properly controlled as to distribution. Bristles for paint brushes have a high priority rating. The navy, in particular, is a heavy user.

Domestic Field

Commodity Prices Stabilization Corp. is also active in the domestic field, buying the entire supply of two commodities.

Raw horsehair is one of these. It buys all the domestic production, sells it to processors to be prepared for use, and then repurchases from the processors for distribution to the ultimate consumer.

Calf skins is the other domestic product. It buys the Canadian supply, sells enough for the domestic market, and then exports the balance.

C.P.S.C. is a non-profit organization set up under W.P.T.B. As soon as it takes over the purchase of an item, this automatically is added to the list of those ineligible for import subsidy. It acts on instruction from W.P.T.B. of which its president, H. B. McKinnon, is a member. Although to date it has only taken over exclusive import of six commodities, with a seventh — tea — likely to be added, it is expected the list will grow from time to time.

Advantages of Method

There are certain advantages to this method of handling imports of important goods. In a number of cases, the available supply of the goods desired is controlled completely by a government agency in the country of supply, or perhaps by an intermediary such as the British Ministry of Food or Ministry of Supply. It has been found that such government agencies are much more ready to share available supplies with Canada through the medium of Commodity Prices Stabilization Corp. than through private individuals.

A further and very important factor is ability to secure priority on shipping. In arranging for shipping space for goods it has purchased, C.P.S.C. makes application to the joint shipping board, acting on behalf of the government. Such an application carries more weight than one from an individual importer.

There is no shortage of tea or coffee in producing countries. It is a shortage of ships in which to carry these goods to this country that makes rationing necessary.

How much money is involved in the various transactions that Commodity Prices Stabilization Corp. carries on officials refuse to estimate, but the amount will run into many millions of dollars. Commitments for cocoa beans alone, for example, are perhaps three millions dollars.

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LONDON, CANADA
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Deposits and Debentures
5-YEAR DEBENTURES ISSUED
(31 Dec., 1941), $12,531,188

The Shareholder

Canadian investors holding U. S. securities have in some cases already received a refund for overdeduction of the withholding tax from companies whose securities they hold. This applies where the amount deducted at the source on dividends submitted to Canadian residents exceeds the amount required under the new 15% rate. It appears that U. S. companies are following a policy of making automatic refunds for the overdeductions made on 1942 dividends. But for dividends received during 1941 and on which rates varying from 5% to 27½% were withheld, the investor must file a claim for a refund with the collector of Internal Revenue, Baltimore. This is a slight variation from the first understanding of the working of the new tax convention which indicated that automatic refunds would be made applying back to the first of 1941 without the necessity of Canadian investors making individual application.

• • •

Canadian stocks are more favorably considered in the United States today than at any time since the outbreak of war but activity is still far from extensive, states Dominion Securities Corp. in a quarterly review prepared for U. S. clients. It is pointed out that many factors have prevented investors from purchasing stocks of any kind, such as uncertainty over the actual effects of Canadian Excess Profits Tax and the war.

Between April 18 this year and July 27, however, a group of eight Canadian securities which are listed on both Canadian and New York stock exchanges appreciated 10.5% in Canada while in United States the gain was 16.2%. This average, states Dominion Securities, more accurately illustrates the general trend than has been the case in past comparisons as the influence of gold stocks is far less prominent.

• • •

Comparing International Nickel and Brazilian Traction, the London Investors' Chronicle currently comments:

"International Nickel shares should be a sound enough holding to put away, but we think that an exchange into Brazil Traction has a good deal to commend it, since there are better chances of appreciation in the latter, more particularly as Anglo-American demands for Brazilian products are increasing, with corresponding benefits to the local economic situation. The company has accumulated funds during the period of exchange restriction, and they now pay dividends more liberally, so that the odds appear to be in favor of your being able to sell these shares at a profit, say over the next year or so, and still transfer back to International Nickels if you are so disposed without in any way missing the market."

B. C. Pulp Mill Makes Changes

Eric Hamber Named to Board of Directors Replacing F. N. Youngman

From Our Own Correspondent

VANCOUVER.—In line with a policy of extending Canadian control over its operations, Pacific Mills, Ltd., made important changes in personnel at its annual meeting in Vancouver.

Under the new setup, Eric Hamber, long a prominent figure in the industrial and commercial life of the province and a former lieutenant-governor, replaces F. N. Youngman, of Portland, Ore., on the board of directors.

Louis Bloch retires as chairman of the board and Albert Bankus and Mr. Youngman retire as vice-presidents.

A. B. Martin continues as president, with John A. Young, vice-president and treasurer, at the Vancouver office, with H. C. Pim as vice-president and J. H. Lawson continuing as secretary.

Pacific Mills retains its close association with the parent company, Crown Zellerbach Corp., whose head offices are at San Francisco, but the election of Mr. Hamber as a director is designed to give Pacific Mills, which operates only in British Columbia with plants at Ocean Falls and Vancouver, a greater degree of local autonomy.

In addition to increasing production of newsprint, kraft and other paper, pulp and a wide variety of paper specialties, Pacific Mills is producing about 12 million feet of spruce annually for the airplane factories. With Powell River Co., the other big west coast paper producer, Pacific Mills shares the output of about 75% of all the Sitka spruce being shipped for aircraft construction.

According to the annual statement, Pacific Mills contributed $1,219,584 to consolidated earnings during the year ended Apr. 30, 1942, compared with $847,313 in the previous year.

The Crown Zellerbach report shows that $346,553 or 28% of the $1,219,584 realized from Canadian subsidiaries, less a Canadian withholding tax of $51,983, was received in the form of dividends, the balance being reinvested in properties and working capital. In the previous year 56% was received by the parent company in dividends.

The Canadian subsidiaries—Pacific Mills and its wholly owned merchandising subsidiary, Hudson Paper Co., were responsible for 11% of Crown Zellerbach's consolidated profits, the $1,219,584 representing Pacific Mills earnings after deduction of the minority 7%.

Paper Front Paradox

Some Lines Short — Some Are Plentiful

By ROBERT C. STARK

Is there a paper shortage? The correct answer is yes and no. The large companies are attempting to put the record straight, to keep first things first.

Provincial Paper Ltd. declares that there is no shortage of coated or uncoated papers, of the materials to make them or of manufacturing capacities in Canada. The mills of the book paper industry are supplying the needs of their customers, and actually seeking additional orders. It is claimed that there is no need to cut down on the size or bulk or printed matter on fine paper. On the other hand, salvage of scrap paper remains a national necessity.

Not Just One Industry

This paradox is explained by the fact that the paper industry is not one industry, but a collection of industries that consume different materials and serve different needs. All are not similarly affected by the war. Since last year the paper board and kraft paper industries have been strained in trying to supply demand for packaging material for both military and civilian requirements. These are the industries that use so much scrap paper material.

Buyers Stock Up

Warnings of a potential paper shortage did not specify which division of the paper industry might or might not be affected. Result was to cause users of all classes of paper to anticipate future needs. All divisions of the paper industry were swamped with a demand for paper that was not needed for immediate use, and demand exceeded production capacities.

The book and paper industry was subjected to this demand in the summer of 1941, and an artificial shortage of printing papers was thus created. Accumulated inventories tied up capital and floor space, and restrained buying so that demand has now fallen well below the production capacities of book paper mills.

Salvage Cuts Demand

The government-sponsored effort to salvage scrap paper is another factor in reducing present demand for printing papers. The salvage drive has reportedly been misinterpreted in many minds as evidence of need to cut down on the use of printing paper. Old papers, however, are only a minor source of material for book papers. They are a major source of pulp for making paper board. Since paper board is much needed for war purposes, the government urges that it is a patriotic duty to save all waste paper.

Rapid Reverse

From its standpoint, Howard Smith Paper Mills Ltd. helps to clarify the picture by noting that the paper situation is rapidly reversing itself. Whereas up until the end of February, demand for fine papers was largely in excess of productive capacity, there is now a definite falling off, so much so that backlogs are being rapidly reduced. Thus in the space of a few months the situation has been eased at a speed only a little slower than that with which it developed.

Howard Smith Paper comments that whether or not this relief is permanent is anyone's guess, for while at present there are plenty of raw materials, manpower, and transportation facilities, there is no assurance that the paper industry can retain its present share of them. In short, no matter how abundant certain things are, total delivered goods will always depend on the weakest link in the chain from trees to finished product.

Replacement Worries

Up to date, none of the links has shown any real signs of weakening. However, there is a shortage of metal, rubber and gasoline. These three are the backbone of our transportation system and if materials and parts now being worn out cannot be replaced, then difficulties lie ahead. The same holds true of the machinery which makes power, coal and chemicals available. Added to that, manpower may have to be diverted to more direct war industries. Consequently, while the present holds no particular difficulties, the future is predicated on there being a supply of a number of things.

The Howard Smith company notes that statements to the effect there is no shortage of paper in the face of conservation and salvage campaigns has created a good deal of confusion. This has resulted in deterring many legitimate users of direct mail material from using this medium. When they did so, they often received complaints from the recipients.

Printed Salesmen

One solid reason, says the company, why the public must be informed that the use of printed material is not unpatriotic is the fact that due to gasoline, tire and other transportation shortages and difficulties, sales representatives can no longer cover their territories as they formerly did, hence more and more companies are switching to "printed salesmen." Some of this material will undoubtedly be designed to create sales, but much of it will simply keep the name of the house before the former buyer in a friendly and informative way. Says Howard Smith Paper:

"It is apparent then, that when printed material is serving a worth while purpose its effectiveness should not be marred by a misunderstanding on the part of the recipient."

This company sums up its position with the statement that while there is at present no shortage of most of things from which paper is manufactured, and there is, with the exception of certain goods made from rags at Beauharnois, adequate machine capacity for some time to come, the company still advises that paper be purchased conservatively, and that it be used in so far as possible for the furtherance of the war effort by supporting the armed forces through increased efficiency of munitioning and supply, and by maintaining civilian health, morale and productive capacity.

Quoted approvingly by both Provincial Paper and Howard Smith Paper is a recent statement by the administrator of Book and Writing Papers under the Wartime Prices and Trade Board:

"Waste of any kind, particularly in wartime, is to be deplored. But a public misconception exists with regard to the use of any advertising on book, bond or writing paper. There is no shortage of such papers, nor will the war effort be impaired by their use."

Furniture Plants to Help Build Aircraft Parts

A committee headed by Furniture Administrator George Ferguson is making a survey of Canada's furniture industry to determine which plants can best be converted for the construction of aircraft parts.

Five furniture firms are already engaged in this work, four of them with subcontracts from Massey-Harris Co., Ltd. To date, most of their orders have been for spars, but indications are that they will soon undertake larger assemblies.

Plywood is coming into increasing use as an aircraft material. Furniture factories have most of the equipment needed for turning out plywood parts, together with the skilled labor this requires. In Great Britain such factories have been busy on aircraft contracts for many months.

With the metal shortage growing steadily more critical, some parts formerly made of metal will in future be made of wood, plywood or plastics.

"Planes are needed and the furniture companies have got to do what they can to help get them out," said Mr. Ferguson. "It's a little premature to say what will happen, but I look for quite a development.

"The idea of the committee is to form a connecting link between the aircraft industry and the furniture industry. We are gathering data as to which plants are most suited for making which parts."

Concerns with subcontracts from Massey-Harris are Knetchels, Malcolms, Imperial Rattan and Kroehlers. Dominion Electrohome also has aircraft orders.

Early in the year representatives of the Furniture Manufacturers' Association interviewed Hon. C. D. Howe, Minister of Munitions and Supply, and Ralph P. Bell, Director-general of Aircraft Production.

More Plants Soon

According to H. E. Wingfield of Imperial Rattan, a member of Mr. Ferguson's committee, other furniture plants will soon be brought into the picture. Each of the five so far awarded contracts is turning over 30,000 feet of floor space to the operations and will have from 200 to 400 employees on aircraft work.

Imperial Rattan has taken over the old Moore-Bell factory at Stratford and will devote this to the manufacture of aircraft parts.

"The development has several significant angles from the point of view of the furniture industry as a whole," Mr. Winfield stated. "Manpower and material restrictions have begun to reduce the production of some furniture lines. The future may bring further restrictions. The introduction of war work to the industry means that unemployed furniture workers can be kept busy in their own communities, organizations can be kept intact during the war, and the industry will be able, physically and financially, more easily to meet the problems of the furniture field after the war.

"The present situation is encouraging. The making of war parts will not cause a reduction in the making of furniture, but it will enable the industry to take up the slack caused by unavoidable layoffs."

Significant Investors' Index Numbers

No. of Securities	Mach. and equip. 8	Pulp and paper 7	Milling 3	Oils 4	Textiles and clothing 10	Food and allied prod. 12	Beverages 7	Bldg. mater. 15	Power and traction 15	Banks 8	Total utilities 19	Total co's. 95
(Base 1935-39=100)												
1929-41:*												
High	345.7	564.5	322.3	212.5	168.2	123.2	163.1	202.1	297.5	160.9	329.3	180.5
Low	68.5	59.8	63.4	46.5	76.0	76.9	67.0	71.2	60.3	83.6	65.2	63.9
1942: Monthly Figures:												
Jan.	74.3	71.9	74.5	45.9	112.8	88.7	99.2	75.1	64.4	91.1	70.4	66.8
Feb.	73.4	69.3	69.7	43.6	108.7	85.5	96.3	73.9	62.1	91.1	67.7	64.7
Mar.	69.7	66.1	70.9	41.2	104.3	75.8	92.8	74.0	62.0	89.4	67.5	62.3
Apr.	70.6	63.2	69.6	41.4	102.4	74.2	93.1	73.9	60.2	88.4	66.3	61.1
May	74.7	61.1	70.5	43.2	104.3	73.5	94.2	75.7	60.7	87.4	66.4	62.0
June	76.2	61.1	69.6	44.5	106.6	73.9	93.6	76.8	64.3	87.7	68.1	62.8
1942: Weekly Figures:												
July 2	75.2	59.1	66.6	43.3	103.7	72.4	92.4	75.7	62.9	87.4	65.8	61.2
July 9	77.8	59.9	69.8	47.4	102.3	76.4	95.3	76.3	63.3	83.8	68.7	63.6
July 16	77.1	59.5	66.5	46.5	101.8	75.4	95.2	75.7	64.3	84.9	67.0	62.4
July 23	76.0	58.8	63.2	46.2	100.3	75.8	95.7	75.3	65.3	80.4	68.0	62.0
July 30	75.5	57.2	61.6	46.4	97.1	76.0	95.9	73.9	65.7	75.6	67.5	61.4
Aug. 6	75.4	57.5	61.3	46.1	97.2	76.3	97.4	74.3	67.1	73.4	67.7	61.5

*High and low for years from 1929 to 1941 inclusive are based on weekly figures issued by Dominion Bureau of Statistics. For 1929 to 1938 inclusive the base is 1926=100; for 1939 and subsequent years the base is 1935-39=100.

Toronto Stock Exchange Index

	20 Indust.	20 Golds	10 B.M.	15 W.O.
Aug. 11	84.76	60.16	59.42	15.59
Aug. 10	84.71	60.67	59.30	15.63
Aug. 8	84.54	60.69	59.40	15.63
Aug. 7	84.25	60.67	59.42	15.62
Aug. 6	84.19	61.19	59.29	15.62
Aug. 5	84.11	61.49	59.65	15.70
Month ago	85.45	64.30	60.73	16.11
Year ago	93.89	101.45	66.62	19.78
High 1942	93.50	83.71	71.01	18.86
Low 1942	79.85	60.56	59.27	15.62

Montreal Stock Exchange Averages

	10 Util.	20 Ind.	30 Cnd.	10 Pprs.	15 Golds
Aug. 11	42.9	53.9	50.3	51.60	38.67
Aug. 10	42.9	53.8	50.2	51.60	38.50
Aug. 8	42.8	54.0	50.3	51.68	39.13
Aug. 7	42.7	54.2	50.4	51.68	39.13
Aug. 6	42.9	54.2	50.4	52.36	39.22
Aug. 5	43.2	54.2	50.6	52.36	39.26
Month ago	43.5	56.3	52.1	54.83	40.65
Year ago	45.0	60.0	55.0	74.76	72.24
High 1942	44.8	60.5	54.7	77.18	54.82
Low 1942	39.6	53.8	50.0	51.60	36.94

Weekly Record of Financing in Canada

SALES BY MUNICIPALITIES, PROVINCIAL AND DOMINION GOVERNMENTS

	Date Issued	—Sold to—	Rate	Due	Amount	Price	Yield
Municipal—							
Cap de la Madeleine, P.Q.	Aug.	L. G. Beaubien & Co. and Bank Nationale	4%	1943-62	$118,700	98.10	.....
Granby, P.Q.	Aug.	Royal Bank	3½%	1943-62	10,000	100.18	.....
La Salle, P.Q.	Aug.	L. G. Beaubien & Co.	4%	1942-71	35,000	98.34	.....
Dominion—							
Deposit certificates	Aug.		¾%	6 months	75,000,000	100	.....

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Expect War Risk Insurance In Effect by Mid-September

By STAFF WRITER

OTTAWA.—Canada's new war risk insurance plan will probably be placed in effect around the middle of September, The Financial Post is informed.

Officials expect to get the information and instructions into the hands of agents by the end of this month and to have policies on sale the first or second week of September.

The whole plan was delayed when the House failed to pass the bill until the last day of the session although a lot of preliminary work had been under way for some time prior to that date.

The question of what premium rates would be charged for policies sold beyond the automatic free insurance which each householder gets has proved vexatious. While it is understood the premium rates have been pretty well decided upon, actual announcement of what they may be is not expected until toward the end of the month when all details are ready.

Moderate Rates

So far as can be gathered, however, Canada's rates will be somewhere between the rates provided by the heavily subsidized plan now in effect in the United States and the rate prevailing on the relatively small number of policies sold in the past on war risks by private companies. Premiums on the latter policies sold by private companies have ranged from one-half up to almost one per cent, a rate which the government scheme expects to reduce substantially.

The United States has placed a plan in effect which does not give any free insurance on a householder's effects as is proposed in Canada. Instead it places a very low rate of 10c per $100 on dwellings. Commercial rates for the U.S. plan cover a considerable range of which the following are typical:

U. S. Commercial Rates

	Per $100
Apartments	15c
Manufacturing plants	20c
Public utilities	30c
Railway rolling stock	25c
Motor vehicles	25c

The United States plan is heavily subsidized, with the government setting aside a billion dollars as an initial commitment. This compares with the $5 millions which the Canadian Government has set aside for a similar purpose.

Initial demand for policies under the U. S. scheme has been tremendous. In the first two weeks of operation premiums amounting to over $200 millions were collected. Officials greatly underestimated the demand that developed and had difficulty keeping pace with the need for forms and information.

Canada can hardly expect any such volume of premium income as this. For one thing we have no concentration of population and wealth on our coastal areas as has United States. Canada has very few large industrial cities on her coasts, most of which are overshadowed by any one of a dozen U. S. coastal cities.

Premium of $15 Millions

The conclusion is, therefore, that Canada's plan will be assured of success if an annual premium income of from $15 millions to $20 millions is achieved.

In devising a plan of war risk insurance the Canadian authorities recognized that it would be unfair to place a burden on exposed areas commensurate with the risk which might be involved, leaving inland areas free or insured at a nominal rate. The problem was recognized as a national one.

Then it was decided to give free insurance to a householder up to a limit of $3,000 on his house and amounts ranging from $200 on personal effects of a non-householder up to $800 for an unmarried householder, with an added $400 if he has a wife and $100 for each child under 16 years of age. The next problem was to set rates for other risks attractive enough to assure a demand for the policies.

The Post is told that there has been a heavy run of enquiries from officials and directors of large industrial plants, particularly from inland areas such as Toronto, Winnipeg, Montreal or Windsor. This is regarded as indicating heavy demand for policies when they go on sale in September. Reception of residents of inland districts is a matter of serious consideration for those getting this plan under way.

Publicity Campaign

A campaign of publicity and advertising is expected to break around the end of August, prepared by a committee of advertising specialists who have been working on the plan for some time.

Broader knowledge of the global nature of modern warfare is counted on to press home to residents of the Prairies, Ontario and Quebec the need for protection. Added to this will be a set of premium rates which officials feel will make the new policies attractive.

Under the bill passed by the House, insurance companies registered with the Dominion are licensed to issue policies of war risk insurance under the Dominion plan. Selling is to be carried on by regular insurance agents who will work through their own companies. The agent will sell the policies to his clients and collect the premiums. The policies themselves will then be issued by the companies. The government will carry the risk.

To handle cases where conditions do not exactly comply with the regulations soon to be published, local advisory committees will be formed from insurance executives. Their job will be one of passing on risks, interpreting the regulations, or if necessary referring the policy to the central body for a final ruling. The local committees will not be limited as to the amount of the policy they can pass but will be strictly limited to following the regulations to be established.

A big job of educating the agents and the various local committees faces the central committee which has been working unofficially for a number of weeks. This job is to be done first and then the public solicited to buy policies.

Service at Cost

Both the insurance agents and the companies are to operate on a service at cost basis. Small commissions, perhaps 2% of premiums for the companies and 5% for the agents, may be paid. Out of these the agents and the companies have to pay their own expenses. A final return of actual expenses must be made periodically with adjustments where the commissions do not meet the expenses or are in excess.

A waiting period of 24 hours will be included in the forthcoming policies, to date from the date of the policy itself. The idea behind this is to prevent a rush to buy policies as soon as the word of coming enemy bombers is received. It will be impressed on the public that it is wise to anticipate any possible war risk rather than wait until bombers are overhead when it will be too late.

War risk insurance is not in any way unique for Canada. Great Britain has had a compulsory plan in effect for a long time. This plan calls for premiums of 10 shillings in the £100 of annual rental value, or about 2½%. The U.K. government agrees to put up a similar amount where required. British experience through hundreds of air raids is said to show under 2% of the total real property as a loss. In Metropolitan London, the losses have been about 12%. This indicates that the British scheme with premiums of 2½% is in sound condition after three years of war.

Australia has a plan which is partly compulsory and was rushed through after the Japanese became an immediate threat. For fixed property, such as houses, the Australian plan calls for premiums of 4 shillings per £100 value. On manufacturing plants, the rate is 8 shillings; goods other than wool carry an eight shilling rate as do chattels or furniture. Livestock can be insured for four shillings per £100. The Australian plan is voluntary for stock and plant up to £1,000; compulsory for fixed property and stock and plant over £1,000.

Some 600 Items On Subsidy List

By STAFF WRITER

OTTAWA.—The recent order-in-council consolidating previous orders listing goods which were not eligible for subsidy by Commodity Prices Stabilization Corp. brings the consolidated list to upward of 600 items, The Financial Post is informed. In the latest list about 300 additional items are added, counting all items including descriptive terms which may mean a number of different items as the consumer knows them.

It is pointed out, however, that many of the 600 items listed are unimportant in their share of Canada's normal import trade. A single item such as tea or coffee would mean more than perhaps a couple of hundred other items.

Washington Announces New Feed Policy

In order to make full use of wheat reserves in maintaining production of livestock, the U. S. Department of Agriculture has announced a national feed wheat programme.

This follows Congressional provision for the sale of 125 million bushels of government-owned wheat at prices not less than 85% of the parity price for corn. Prices at which farmers and others may purchase the feed wheat for August delivery range from 74 to 99 cents throughout the country.

Largely because of an increase in livestock, the U. S. corn carry-over on Oct. 1 of this year is expected to be nearly 150 million bushels smaller than the 646 million bushel carry-over a year earlier.

Albert Bay Co. reportedly has under consideration a plan for its bond maturity which it failed to meet Aug. 1 It is stated that the plan would extend the maturity of the bonds for eight years and reduce the interest rate from 6½ to 5%.

The Bondholder

Alberta bonds are currently commented on by Ernst & Co., New York security dealers. This house expresses the belief that there is a distinct possibility of a satisfactory refunding plan being consummated between bondholders and the Alberta government. At the recent meeting between bondholders' representatives and government officials the former suggested a refunding of Alberta's debt on a 4% basis. The province, however, held out for a 3½% basis and conversations terminated with no compromise being arranged. No indication of any further moves in this situation has yet appeared.

* * *

Province of Ontario is the subject of a current Wood, Gundy & Co. publication. It is pointed out that Ontario comprises one third of Canada's total population, that 40% of Canada's national income accrues to Ontario residents. Ontario provided over one half of all individual and corporation taxes collected by the Dominion in the year ended Mar. 31, 1941.

Prices of Ontario bonds have closely approximated prices of Dominion of Canada bonds. Over the 23-year period from 1919 to 1941 the yield from the province's bonds has averaged only 0.08% more than the yield from Dominions.

* * *

Midland Securities Ltd., announces the closing of the books for the $3,250,000 issue of the Province of New Brunswick 3¾% Sinking Fund Debentures due 1954, and add that the issue has been well received and widely placed.

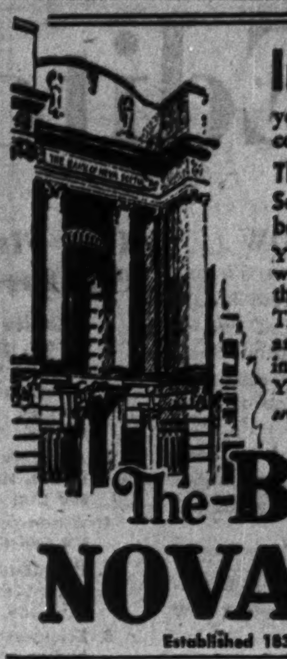
Public offering of the issue was made some two weeks ago by a syndicate of investment dealers including, besides Midland Securities, the following: Gairdner & Company Ltd.; Dyment, Anderson & Co.; W. C. Pitfield & Co., Ltd.; L. G. Beaubien & Co., Ltd.; Burns Bros. & Denton, Ltd.; R. A. Daly Co. Ltd.; Bartlett, Cayley & Co. Ltd.; A. M. Ramsay & Co.; and Fairclough & Co.

* * *

Canadian Locomotive profits, before taxes, are running at a higher rate than for the same period of last year, it is learned from authoritative sources. Capacity operations are continuing and are likely to do so for some considerable time. Present outlook is that for the duration the company will have plenty of work to satisfactorily cover bond interest requirements.

* * *

Canadian bond markets at the present time, both in the United States and Canada, are at or near the highest levels which have prevailed since the outbreak of war, comments Dominion Securities Corp. Neither the unprecedented expenditures proposed in the budget speech nor unfavorable international news has had any appreciable effect upon the prices of Dominion, provincial, municipal and corporate issues. Practically all types of bonds payable in United States dollars have been in demand over an extended period. Examples are Dominion 3¼'s of 1956-61 now around par as compared with 98 at the year end, C.N.R. 5's of 1969 at 111¼ are 2½ better than at the year end. On the same basis of comparison, Ont. 4½'s of 1960 are over five points better, Province of Quebec 4's are up around eight points. Toronto 4½'s are three points higher, while Winnipeg 4½'s are currently around 9½ points better than their year end level.



In Times Like These

you are obliged more than ever before to conduct your affairs with care.

There is increased need for Banking Services—enquire as to those which can be helpful to you.

YOUR BANKING NEEDS will be efficiently served by the Branches of this Bank THROUGHOUT CANADA and NEWFOUNDLAND, in the WEST INDIES, NEW YORK, and LONDON, ENG.

AVOID WASTE SAVE!

"VOLUNTARY SAVING MUST GO ON"

The BANK of NOVA SCOTIA

Established 1832—Over a Century of Service

Investment Notes

King Edward Hotel Co. sale has been completed. The Metropolitan Life Insurance Co., which recently purchased certain assets of the hotel from the receiver, has disposed of the hotel to C. A. Ripley, prominent Canadian hotelman and owner of several important Canadian real estate corporations. Price paid by the new owners is said to have been considerably in excess of $2.5 millions.

Directing the hotel is Vernon G. Cardy, associate of Mr. Ripley in operation of the Royal group of hotels. These include the Mount Royal, Montreal; Royal Connaught, Hamilton; General Brock, Niagara Falls; and the Prince Edward at Windsor.

* * *

Union Gas Co. deferment of the 20 cent quarterly dividend due Sept. 15 closely follows its annual report which showed net profit for the year ended Mar. 31, 1942, at $1.07 per share as compared with $1.35 in the previous fiscal year. The decrease was due to increased operating costs and a small reduction in gross revenue from gas sales. There has been a considerable switchover in the company's activities with war industries now taking an important part of the gas supply. The background for dividend deferment was set in the annual report's statement by S. A. Morse, president, that as a result of new conditions under which the company will be operating, there will be a considerable decrease in its revenue from the sale of gas.

* * *

National Pole & Treating Co., subsidiary of Minnesota & Ontario Paper Co., reports net income after taxes and all charges of $55,661 for the quarter ended June 30, 1942. For the six months ended the same date, the company had a net income of $76,749. R. H. M. Robinson, president, states National Pole has sold 8,000 shares of M. & O. common, out of 82,508 shares held, at a price of $2.50 a share. This resulted in a book loss of about $140,000 tax status of which is not yet clear.

B.C. Coal Tonnage Registers Gains

A substantial increase in British Columbia coal production has been registered in the first six months. The output is reported to have been 1,040,171 tons compared with 813,532 tons in the first half of 1941, against 828,182 tons produced in the first half of 1940.

Both the main producing areas—East Kootenay and Vancouver Island—showed increase in June over May, East Kootenay producing 86,691 tons in June compared with 80,505 in May and Vancouver Island producing 71,284 tons in June compared with 64,184 in May. Other districts also registered gains.

Monthly totals for the first half of the current year, and 1941, and 1940, are shown in the following tabulation:

Six Months Ended June 30

	1942	1941	1940
Jan.	177,687	147,716	146,351
Feb.	170,581	126,592	139,733
Mar.	186,080	136,281	132,130
April	176,202	131,042	144,467
May	158,306	131,812	137,717
June	171,315	140,089	127,784
	1,040,171	813,532	828,182

A Salvage Poster*
for Bulletin Boards

The above poster is one of a series prepared by the Pulp and Paper Industry to help in the salvage drive. Copies will gladly be sent free of charge to any firm or other organization in Canada which can make good use of them.

These posters are printed in two colours, measure 10" x 13½" and are available in English and in French.

This is part of a campaign sponsored by the Pulp and Paper Industry in mill towns, emphasizing the importance of salvage and conservation. Advertisements, tying in with these posters, are also being run in these towns and a typical advertisement is reproduced above in miniature.

We shall be glad to supply you with copies of these posters for your bulletin boards. Just tell us how many you require and they will be mailed immediately.

*These posters were prepared originally for use in pulp and paper mills but, in response to many requests, are now being made available without charge to other organizations which can profitably use them.

THE PULP AND PAPER
INDUSTRY OF CANADA
972 SUN LIFE BUILDING MONTREAL

The Editorial Page . .

Start Making Plans NOW

Canadian industrial groups should start laying plans NOW as to how they will carry out a very probable government edict ordering that two or three plants in some line of trade shall produce all such goods to be provided for Canadian consumption and that all other plants in this line of business close down.

In Canada, the W.P.T.B. is known to have been studying such a programme for concentration of industry though there is no indication that immediate action is contemplated.

In the United States, Donald Nelson has recently announced that virtually all production of essential civilian goods will be concentrated in a few economical plants for the duration.

In Great Britain, such a programme has been under way for over a year. Some 50 industries have been "concentrated." More than 250,000 workers have been released for other work, more than 2,000 establishments have been closed and over 52 million sq. ft. of factory space made available for other production or storage.

This is a very drastic and painful procedure. Assume there are 12 Canadian plants making a certain article. Under the concentration of industry programme, officialdom might select three of these plants to produce all of these that could be produced from the available supply of raw materials and the amount thought sufficient for the wartime needs of the Canadian people.

In other words, officialdom might rule that no matter what the need of the Canadian people and no matter what the effect on the individual industries which would be closed up, the public could not afford to have more than this amount of manpower employed, more power used, more raw materials consumed.

So far, concentration of industry has been avoided in Canada. No factories have been closed by government decree to save for war.

Very important in averting such a programme has been the eager and enthusiastic use to which businessmen generally have put the suggestions of the Department of Simplified Practice, Canada's "cost-cutting" advisers.

With the increasing gravity of the war, and its increasing impact on the domestic front, it is doubtful, however, if some concentration of industry will be altogether avoided. When the squeeze becomes hard enough, this country is almost sure to follow the example of Britain and the United States. In the U. K. each industry involved was told how much it could produce, and ordered to work out its own formula for concentration.

Now is the time for industrial groups to plan precisely how they will meet this grim duty when and if it comes. The difficulties to be ironed out will be great: who is to be chosen to carry on, compensation for the firms closed down, protection of brand names, protection of sales contacts, probably standardization of products.

Now is the time for individual Canadian industries to lay their plans, painful though the subject and the result may be.

CBC Holds Unfair Position

For people who cling to a belief in the importance of simple, old-fashioned fairness, there are two things about the present constitution of the Canadian Broadcasting Corporation that will continue to stick in their crop.

One is the fact that an organization which pays no taxes and which gets a fee from all Canadian radio owners should be competing with business enterprises which pay very sizeable taxes.

Second, is the fact that any organization should be in the double role of competitor and policeman. The CBC sets all the rules of the broadcasting game in Canada and at the same time competes for business with the privately owned stations.

Four years ago, Hon. C. D. Howe, then Minister of Transport (and in charge of radio) promised that CBC revenue from commercial sources would not exceed $500,000 a year. The license fee to the public had just been increased and people were given to believe that revenue would be virtually enough to pay for the operation of the CBC and free it from the need of selling time on the air for soap operas, "plug-uglies" and other types of radio advertising.

Since that time, of course, the revenue from radio license fees has grown and so has commercial revenue. The latest report of the CBC gives the figure of $895,066 as the gross commercial broadcasting revenue.

As for the CBC competing for business with the privately owned stations—being at the same time the rule maker and one of the players—this, too, flouts the most elementary conception of fair play.

In the brief of the Canadian Association of Broadcasters (representing private radio station operators) to the recent parliamentary committee on the CBC it was stated:

> "No matter how necessary or worthwhile a regulation may be, under this present condition, if it reduces the commercial revenue of the privately owned stations, there is a tendency to wonder if maybe the regulation has been made so that more commercial revenue will flow to the CBC. This situation is comparable to the condition which would exist if the Board of Directors of the Canadian National Railway made the rules and regulated the provisions under which the Canadian Pacific Railway must operate."

The brief went on to cite special discounts given by the CBC for coverage in the Province of Quebec—"a mighty tough competitive condition for the privately-owned non-network stations in Quebec," the brief states.

It cites the complete control by the CBC of all the telegraph company lines between broadcasting stations which "virtually gives the CBC a complete monopoly over all live talent broadcasts except individual station broadcasts."

The brief pointed to CBC regulations which demand advance revelation of plans by potential radio advertisers, a requirement perhaps appropriate for a policeman; not appropriate for a competitor.

Also mentioned was the fact that the CBC exacts a high charge on wire tolls when leased to private broadcasters, which has the effect of sending advertisers to the CBC and of discouraging live talent programmes.

Much has been heard of the CBC's contribution to war activities in Canada. But day after day, week after week, month after month, every newspaper and periodical is giving thousands of free columns, millions of dollars worth of free space and support to the war effort.

The CBC has no monopoly of this service, no excuse for claiming special privilege here.

No one can contend that there is fairness or wisdom in the present CBC setup.

The Financial Post's Platform For War

1. *Effective mobilization of all resources, materials, productive capacity and manpower, without reservation, for an all-out war effort.*
2. *A national cabinet, representative of all loyal groups, and consisting of Canada's ablest brains.*
3. *An inner war cabinet, free from departmental duties, to plan the nation's war effort and to see that the plans are carried out.*
4. *A non-political industrial executive to organize and direct procurement of war supply.*
5. *Pay-as-we-go policy, to the very limit consistent with an all-out war effort, to avert inflation.*
6. *Elimination of wasteful spending by public bodies or private individuals.*
7. *A national programme to deal with postwar employment and relief problems.*

Three Barbers and a Masseur

The amazing tale of the three barbers and the masseur on Parliament Hill was reported in last week's issue of The Financial Post. There are two barber shops, one for Senate, the other for House of Commons. The Senate barber gets $4.50 a day when the Senate is in session, $4 a day all the other days the Senate is not. In the Commons barber shop, one barber gets $5 a day, every day of the year; another barber, also every day of the year, gets $4; the masseur $1.75. The equipment, light, heat, etc. is all provided free.

After receiving these wages, the equipment and accommodation, these four gentlemen are allowed to pocket all the money they take in from the patrons.

Yet there are some people who say that the government ought to be entrusted with handling more of our business; that Canada's ills are on the way to solution wherever and whenever the government moves into spheres of activity traditionally those of individuals and of private enterprise.

This case of the three barbers and the masseur, so magnificently retained by the government at the expense of the people of Canada, is symptomatic of the way government handles too many of the jobs entrusted to it or assumed by it.

Worse still is the fact that the disaster that inevitably follows such management in private business seldom brings either correction or retribution in goverment business.

The case of Parliament's three barbers and the masseur is a pungent illustration that paradise does not lie in the direction of bureaucracy and government management of all our affairs.

Co-ordinating Ad Plans Wise

With war hitting harder and harder at every Canadian home and with government decrees daily making further changes in the Canadian way of life, the vital function of advertising in explaining, winning co-operation and keeping co-operation also increases in importance.

The appointment of a co-ordinator of all government advertising in Canada is a most important and commendable step and one that will gratify all citizens who are concerned with wise expenditure of public money.

John Martin, for many years public relations and advertising director of Massey Harris Co. Ltd., has been named to this new post. His duties will include advising government departments as to the timing of their announcements; and as to the best way of making those announcements to the public. He will also advise the government with a view to preventing overlapping of campaigns and competition with each other for public attention in the same issues of publications.

Mr. Martin's office will, in effect, be a clearing house for all government advertising. He will also be executive secretary of the Interdepartmental Publicity Committee which is made up of representatives of all public relations and publicity officials attached to war departments of the Dominion government. It will shortly be enlarged to include "peacetime" departments such as agriculture, trade and commerce, etc.

Editorials in Brief

Confirmation of Germany's appalling military casualties and the stark poverty of its civilian population is furnished by the following ghoulish advertisement in the Munich Neueste Nachrichten:

> "Crosses for graves, finest oak with cement slab if desired, in exchange for gentlemen's secondhand clothes."

First goes the soldier to the battlefields of Libya or Russia; later his poverty stricken parents are asked to exchange his civilian clothes for a bit of wood and concrete. Hitler may regard this sort of exchange as practical business but the widows and orphans left must have other feelings.

Cartoon by Grassick.

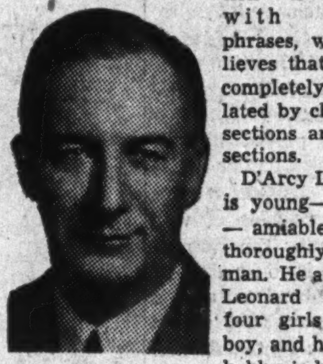
NO MONEY FOR WAR BONDS, LOTS FOR HOARDING? THAT DOESN'T HELP WIN

Post-Scripts . . . .

Legal Authority

Thomas D'Arcy Leonard, new general manager of Canada Permanent Trust Co., is one of this country's leading authorities on mortgage law.

You might imagine such an authority to be elderly, crusty, poker-faced and stern—a man whose nose is always between the covers of a heavy law book, whose conversation is larded with Latin phrases, who believes that life is completely regulated by chapters, sections and subsections.


MR. LEONARD

D'Arcy Leonard is young—just 47—amiable, and thoroughly human. He and Mrs. Leonard have four girls and a boy, and his main hobby is his family. He knows the Latin phrases of his profession, but he saves them for the courtroom. And he sees mortgages not as cold, impersonal contracts, but as instruments which have a bearing on flesh and blood people.

A slight, active man, he has made it his business to familiarize himself with different parts of the Dominion. When mortgage companies were having troubles in the West, he went and talked with western farmers to see what could be done in the way of finding solutions which would be best for companies and farmers alike.

Afterward he presented the brief of the companies to the Rowell-Sirois Commission. When the Commission made its report, some of its recommendations followed closely the lines he suggested.

An economist as much as a lawyer, he has many times appeared before the banking and commerce committee of the House of Commons.

The impression he created must have been good, because when a tough job came up the government sought him out and asked him to undertake it. The job was preparing a report on war risk insurance. Travelling by air he covered a maximum of distance in a minimum of time to find out what the various sections thought should be done. The War Risk Insurance Act, passed just recently by Ottawa, was based on his report.

Mr. Leonard was 19 when he graduated from the University of Toronto, where he distinguished himself as a pole vaulter and was a candidate for a junior hockey team composed of great ones like Connie Smythe and Beattie Ramsay.

This was in 1915 and he lost no time joining the army. Within a few months he was overseas where he served as a lieutenant. He was wounded, invalided back home, honorably discharged. He tried several times to get back in the services and in 1918 persuaded a medical board he should be admitted to the air force. However, the armistice was signed before he could get overseas again.

In the meantime he had enrolled at Osgoode Hall. He graduated in law in 1920 and joined Leonard & Leonard, his father's firm in Toronto. A brother, Frank, also joined the firm.

Mr. Leonard became secretary of the Land Mortgage Companies' Association, a post he held until 1936, when he became general counsel for the Dominion Mortgage & Investments Association. When the Trust Companies Association was formed in 1933 he became secretary of that too, and in 1940 became its general counsel. In 1935 he was made a K.C.

In 1936 he was elected president of the Canadian Club of Toronto, and in 1940-41 he was vice-president of the Association of Canadian Clubs.

Active in the Canadian Corps Association, he has served on its council and been one of its vice-presidents. He is a member of the Ontario Council of the Canadian Bar Association.

Since the start of the war he has taken an interest in the Royal Regiment of Canada, a reserve unit, in which he holds the rank of captain. He spent his holidays this summer in training at Niagara-on-the-Lake.

Mr. Leonard is a director of the Continental Life Insurance Co. and Stop & Shop, Ltd.

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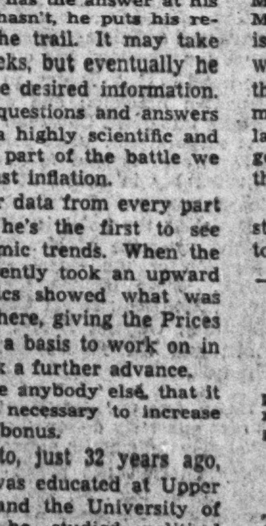
He Gets the Answers

James Douglas Gibson is a tall broad young man who worries about his weight occasionally but never does anything about it but talk.

He has a well-equipped workshop in the basement of his home and hopes some day he will find time to finish a ship model he started seven years ago. Just at present, however, there's not much chance of that, because he is supervisor of research and statistics for the Wartime Prices and Trade Board. It's one of those jobs which keeps him working eight hours a day—twice a day.


MR. GIBSON

His telephone at Ottawa seldom stops ringing and the person at the other end of the line invariably has a question.

Usually, Gibson has the answer at his fingertips. If he hasn't, he puts his research staff on the trail. It may take days, or even weeks, but eventually he comes up with the desired information. This business of questions and answers is no game. It's a highly scientific and vitally important part of the battle we are fighting against inflation.

Piecing together data from every part of the country, he's the first to see changes in economic trends. When the cost of living recently took an upward spurt, his statistics showed what was happening and where, giving the Prices and Trade Board a basis to work on in its efforts to check a further advance.

He knew, before anybody else, that it was going to be necessary to increase the cost-of-living bonus.

Born in Toronto, just 32 years ago, Douglas Gibson was educated at Upper Canada College and the University of Toronto, where he studied political science and economics.

He graduated in 1931 and soon joined the staff of the Bank of Nova Scotia where he was under Professor Gilbert Jackson. At that time Mr. Jackson was also head of the department of commerce at the University of Toronto.

In 1935 Professor Jackson went to the Bank of England as economics adviser, and Mr. Gibson was appointed his successor as chief of the economists' section of the Bank of Nova Scotia. Among other things he was responsible for preparing the bank's monthly letter, which has a wide circulation among Canadian businessmen.

In 1937 he was one of two who went from Canada to an international conference of bank economists in Britain.

He has written many articles on banking. He's a member of the Canadian Political Science Association and a member of the research committee of the Canadian Institute of International Affairs. Some time ago the W. P. T. B. borrowed him from the bank.

Gibson is married and has one son.

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Advertising Boss

John Martin, advertising manager and public relations counsel of Massey-Harris Co., who has just been appointed co-ordinator of advertising under the Minister of National War Services, likes the works of Robert Louis Stevenson so much that his only son, now in the R. C. A. F., is named Robert Louis Stevenson Martin. John Martin knows by heart many of the great poems of our language. He has a habit of quoting a line or two of verse to illustrate a situation, or drive home a point he is trying to make.

MR. MARTIN
—Ashley & Crippen.

The rich rolling accent he brought with him from Scotland back in 1911, and has never completely lost, adds a dash of flavor when he does this.

After books, his hobby is photography. He seldom goes anywhere without his miniature camera, and usually his pockets will be stuffed with color filters and similar paraphernalia. Although he does not regard himself as a professional, his pictures have been seen by millions of Canadians, providing some of the most striking illustrations for Massey-Harris advertising. His favorite subjects are lush grainfields falling before the mowing machine, threshing machines at work in the harvest field, tractors plowing long even furrows in rich soil.

Because he's a Scot he golfs, but can't remember ever winning any cups.

A broad-shouldered man of medium height, John Martin was born in Glasgow in 1891. He graduated from West of Scotland Technical College, tossed his diploma into a steamer trunk, bought a ticket, and was soon on the staff of Galt Art Metal, at Galt, Ont. He stayed with that concern until 1917, then moved to Toronto as manager of Gillett Co.

In 1918 he joined the staff of Massey-Harris, and in 1922 he became advertising manager.

A good mixer, an able public speaker, and an authority on advertising, he's a past president of the Association of Canadian Advertisers and the Advertising and Sales Club of Toronto.

In Ottawa on loan, he'll be associated with the Interdepartmental Publicity Committee, and will advise as to the wisest use of available advertising media and the most effective way for advertising appropriations to be spent.

This is his second trip to Ottawa on a war job. The first was with his boss at Massey-Harris, James S. Duncan, when Mr. Duncan was Associate Deputy Minister of National Defense for Air. He was Mr. Duncan's right hand man during the hectic period when the British Commonwealth Air Training Plan was being launched, and had an important part in getting R. C. A. F. public relations off on the right foot.

His work along this line was so outstanding that the government has wanted to get him back ever since.

Other People's Views . . . . . .

The Canadian Editorial of the Week

We Must Create a Vital Faith

The Vancouver Sun

On the third anniversary of starting the war, millions of people are turning their minds to a consideration of the terms of peace. They tentatively experiment; they ponder and wonder.

But the reason for the pondering of this subject, on the radio, on the public platform and in newspaper and personal discussions is because there is a lack of a great dynamic faith.

Victory is too much looked upon as something that will bring relief from peril.

We do not look to it as something that will also bring the opportunity to achieve a great mission in the world. It is only out of such a faith that men will develop their greatest power.

There is a vast difference in the outlook on the war between Britain and the United States, and it accentuates this point. The view is restricted in both places.

In Britain there exists a great grimness about the war. The imminence and the urgency of it; the daily business of trying to keep alive and keep going in the constant fact of it.

In New York and Washington, many take it for granted the war will be a push-over for the United Nations, once the industrial programme is fully developed.

Nowhere is the crusade idea paramount.

The British and American peoples must be determined in their inward minds to fight a war to accomplish something, a war that shall have consequences rather than a war insulated from consequences. It is a people's war, not a soldier's war, not to be thought of solely in terms of manoeuvres, weapons and campaigns, vital as these things are.

The Axis militarists began the war, but the peoples of the free nations will end it; they will end it not by defeating the purpose of the enemies of the people only, but by realizing a clear purpose of their own—a purpose to live like men, to live with dignity in freedom like men.

This dynamic faith is something we must create among all our people.

As Others See Us . . .

Facts and Fables

(Hamilton Review)

To the historians—and to all Canadians—we commend a series of articles in The Financial Post. They are from a book "This Age of Fable" by Dr. Gustav Stolper and published in Canada by McClelland and Stewart. The first of the series was devoted to refuting the slander of British imperial greed and self-interest to which we have referred. And it is the more acceptable because it comes from the pen of an eminent German of pre-Nazi times.

The Post identifies Dr. Stolper in these words: "As head of the research department of the Imperial Austrian General Commissariat for War Economy in the last war, founder and editor of the leading economic weekly 'Der Deutsche Volkswirt,' and Berlin correspondent for the London 'Economist', Dr. Stolper is an eminently qualified economic commentator on trends of the last three decades. As a former liberal member of the Reichstag for Hamburg, and a frequent German representative at Geneva, his political insight is equally well founded."

Dealing in turn with the progressive steps in extending and developing political and economic freedom within the Empire, Dr. Stolper finds that this consistent and steadily expanding policy springs from long-standing tradition.

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What the Papers Are Saying

They Have Gone Home

Fort Erie Times-Review

Even those among our subscribers who only occasionally read Quotes from Hansard in this paper, cannot fail to have been impressed with the amount of time taken up in the House with trivial discussions having little to do with winning the war, and contributing little or nothing to a betterment of the nation's internal economy.

For instance, day after day members rose in succession to deliver long speeches—as long as the rules permitted—about the government's proposed method of creeping toward conscription for military service overseas. With few exceptions, these speeches were mere paraphrased repetitions of one another—and all the time it was a foregone conclusion that none of them would have the slightest effect on the ultimate outcome.

Mr. King's solid, compact majority in the House is too big for anything like that to happen. The motive back of most of those speeches was that the boys would have something on record to impress their constituents; something to garner votes at the next election.

Then came the last day of the session, when many departmental estimates had to be passed aggregating expenditures of millions upon millions of dollars of taxpayers' money. That's the money which is going to be taken out of your pay envelope in ever increasing amounts, beginning next September.

What happened? Were there any long speeches? There were not. Was there a full and complete discussion of each estimate with a view to economy? There was not. The boys wanted to go home. Some of the estimates were passed in five minutes. They were all passed in the one day. Altogether a deplorable example of prodigality—with other people's money.

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The Party That Stood Out

Winnipeg Free Press

Some plain speech is needed about the stand taken by the C.C.F. on conscription, that party having emerged as the sole group in Parliament to oppose Bill No. 80. This is one further step toward the national objective of total war, an objective which Mr. Coldwell and other members of his group have repeatedly announced as theirs.

It is with regret that the sincerity of such statements must be questioned. An examination of the policies of the C.C.F. since the outbreak of war clearly shows that from the very beginning, the C.C.F. has always had reservations in its war policy, every one of which is bound to put a brake on Canada's war activity.

In the war session of September, 1939, Mr. Coldwell read a statement issued by the National Council of the C.C.F. as an expression of the party's policy.

> Canada should be prepared to defend her own shores, but her assistance overseas should be limited to economic aid and must not include conscription of manpower or the sending of any expeditionary force.

Ten months later, when the National Resources Mobilization Act was under discussion in the House, Mr. MacInnis, speaking for the C.C.F., opposed the clause making possible conscription of men for home defense on the ground that there was no guarantee that "conscription of wealth" would be introduced.

Eventually, when Bill No. 80 was introduced, Mr. Coldwell spoke against the bill, on the ground that there should be no conscription of men for overseas service without "conscription of wealth." When the division on final reading came, the C.C.F. voted in a body against the bill.

Those who find a common thread running through the three declarations of policy of the C.C.F. here cited—in 1939, in 1940 and in 1942—cannot be blamed if they come to the conclusion that the war policy of the C.C.F., which contained important reservations in 1939, contains them still.

There is nothing to stop Mr. Coldwell and his associates from stumping and canvassing the country for "conscription of wealth." That has nothing to do with the point here raised.

The C.C.F., together with the Liberal party, the Conservative party and the New Democracy party, had a chance to declare itself on conscription for overseas service. Alone among all the parties in Canada, they shirked the issue. We invite the supporters of the C.C.F. all across Canada to ask Mr. Coldwell to tell them why.

• • •

Sayings of the Week

"There are people at the Air Ministry who will probably scorn dive bombers to the end; but I have yet to hear of any soldier or sailor who does so after undergoing attack by them."—*Scrutator in The Sunday Times.*

• • •

"Some people think I'm anti-British. I'm not. I'm anti-stupidity, anti-complacency, anti-muddleheadness wherever it is. Since I am a Britisher I feel it only polite to point to these conditions in England. There are plenty of Americans to do their own laundering." —*Eric Knight, author of the war novel "This Above All."*

• • •

"American ingenuity is out-producing every other nation on earth four to one in arms output."—*Lieut. Gen. Knudsen.*

• • •

"Minorities are rich assets to democracy; assets which no totalitarian government can afford." — *Wendell L. Willkie.*

• • •

"There was an unfortunate prologue to the start of our air forces, for in 1908 the Committee of Imperial Defence rejected airplanes for use in the services. Their decision was due partly to the insistence of a distinguished general on the futility of observaton from the air."—*Rt. Hon. Lord Hankey.*

• • •

Stop Me If . . .

Red Tape

The Truro Weekly News

A good one is going the rounds illustrative of the governmental red tape in the capital city of the Dominion of Canada. Government "red tape" is becoming a by-word and is probably the one greatest obstacle to progress in this country.

The story is told of a couple of girls from western Canada, who had been brought into Ottawa at double the pay they would get elsewhere, walking down the street in Ottawa under their umbrellas in a pouring rain. They were enjoying the rain because they had not had rain in their home towns for a long time.

Imagine their surprise and shock when they discovered a red tape worker of the government diligently spraying the green lawns of the federal parks. Appalled at such a wonder they spoke to the man about it. "It is raining cats and dogs. Why do you water the grass while it is raining?" The faithful government red tapeist replied, "Because this is the day I am supposed to water this section and I have to do it, rain or no rain."

The Financial Post

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Narrowing Margins Squeeze Grocers

But Trade Has Been Fortunate in Higher Volume and Maintenance of Quality

By B. T. HUSTON
Editor, Canadian Grocer

Two short words have been cropping up much more frequently in the food industry since price ceilings were established. They are "narrow margins."

Due to present day hand-to-mouth buying, quicker turnovers, constant pressure of competition forcing lower costs and lower prices, grocers have been lucky to show a net profit of 1% on sales—the majority in fact do not make half of that.

Consider this together with the fact that it frequently requires weeks and months for higher consumer prices to catch up with advanced prices of the manufacturer, and the difficult position of the grocery trade since ceilings became effective is realized. It hasn't been easy to spread the "squeeze" along among the three branches as has been done in several other industries. Unlike ladies' dresses, millinery, drug and hardware products, an increase of one cent a package or can frequently means a definite loss unless the selling price can be raised.

Squeezed

So when price control arrived on December 1 last with the base period ending seven weeks before, both retail and wholesale grocers were faced with the problem of having to pay more for new supplies coming along and still maintain ceilings.

The grocery trade itself has been unable to make the necessary adjustments to meet this situation as far as most staple foods are concerned, so it has remained for the Wartime Prices and Trade Board to come to the rescue.

And it has been a slow process. The Simplification Branch of the Board has worked overtime on many of the problems and has made considerable headway. Manufacturers themselves have got together and in certain instances have accomplished much. But sufficient frills could not be cut out to prevent many punctured ceilings and the payment of subsidies.

Frills Cut

Flour and cereal millers have reduced the number of sizes of containers; bread manufacturers have discarded double wrapping and multi-colored wrappers; biscuit companies have cut out some of the smaller containers, demanded less ink on cartons, packed more to a case, reduced size of inside flaps on cartons.

Retail grocers (also wholesalers) have systematized deliveries (in fact were compelled to confine them to one a day to each district); they have taken better care of tires and trucks; induced customers to carry home more purchases; they have been using small paper bags when small ones fill the bill; they have saved waste paper; made shopping baskets last longer; repaired equipment instead of buying the new.

Punctured Ceiling

In cases where the squeeze process failed—and this applies to such everyday staples as beef, lamb, twenty-three canned fruits and vegetables, eight or ten lines of canned fish, rice, brooms, etc., the Board has come to adopt a new principle—normal mark-ups by both wholesalers and retailers on higher costs. And in most instances* these mark-ups are on the selling prices, not invoice costs. So the trade is gradually becoming somewhat happier.

One difficulty for grocers in maintaining legal ceilings is the fact that so many of them today are selling on a cash basis. They have no records of actual prices of a couple of months ago and as they stock anywhere from 500 to 5,000 items, it was simply impossible for them to remember the highest prices they charged for them in the index period of December 1. A grocer may have advanced his canned peaches on the last day or a day or two following the ceiling period.

Many canned food and other prices were changing around that time each year. Foods like butter, eggs and meat fluctuate from week to week and sometimes almost from day to day so that while a dealer may have his buying records, he may not be certain of his highest selling price within a specified time.

Moreover, his customers cannot be sure of what the prices were if they have no base period sales slips or accounts on file. Even then they can't be sure whether the price shown on the counter-check book was the highest the grocer got from any other customer.

For these reasons alone there must be hundreds if not thousands of foods across Canada selling above the legal ceiling.

Few Prosecutions

It's evident, however, that as far as the Wartime Prices and Trade Board is concerned, it has done its best to see that ceilings were maintained. It was only in May and June that news of prosecutions began to appear, and there are several thousands of grocers in Canada. To June 15 there had been only 14 prosecutions under retail ceiling order to 105 under the rental order.

Quality of products has been maintained almost 100% as far as domestic foods are concerned. Canned fruits and vegetables and fruit juices have to come up to government standards. So have jams and marmalades. The Department of Pensions and National Health has permitted canners to use a percentage of dextrose (a corn product) for sweetening canned fruits (on account of the sugar conservation plan). It's 25% to 75% cane or beet sugar by weight. But this by no means reduces the quality. In fact most canners feel it improves it because of the wholesome and medicinal character of dextrose.

Quality Holds

Vegetable shortening is another changed product. With a big percentage of our vegetable oils cut off—most of them used to come from the far east—packers have had to use a blend of animal fats and oils with official approval. There's perhaps little difference, however, in the final result.

Quality of some products such as meats is seasonal, up in winter when livestock is stall-fed, down when grass-fed in summer. With cheese it's the opposite. Quality of Canada's flour, bread, biscuits, cereals and most other foods remains constant.

When it comes to quantity it may be a different matter. It's not news to say for instance that there would have been more sugar beet acreage in Western Ontario if Ottawa had settled the price matter sooner. Canners of fruits and vegetables have hesitated to splurge on production of certain products not knowing whether they would lose money.

Strawberry jam is a case in point. The Wartime Prices and Trade Board would neither allow canners to advance prices over last year or provide a subsidy, so the pack is small. Long delays in getting things settled have not been conducive to big production. The beef ceiling delay is another example.

There's a school of thought that suggests Canada may some months hence be quite short on what are considered some of our essential foods. It would seem that speed in fixing prices to processors, on deciding to break a ceiling, or paying somebody a subsidy would be to the advantage of production.

So far ceilings have not adversely affected sales of grocers in Canada as a whole. Each month the Dominion Bureau of Statistics reports a substantial increase—with volume for the first five months of 1942 up 19%. This is explained in four ways:

1. Shortages haven't yet been too drastic, although they'll be more pronounced later.
2. Grocers have been selling plenty of the products that have not been short such as poultry, turkeys, eggs, instead of beef.
3. General public has been "laying away" foods on which they expect shortages.
4. Everybody has plenty of money to spend and they are spending a lot of it for so-called luxuries in grocery stores.

The future supply situation may not present so bright a picture. Due to tin conservation no pork and beans, baked beans, canned spaghetti, macaroni, or dog food, is now being packed in Canada. Many of these products are still on grocery shelves but they cannot last much longer. They may, however, appear in new dress before long.

All our canned salmon and herring this year will go to the United Kingdom as well as the bulk of our pork products. Imported foods, on which grocers normally make a fair margin, are also getting scarce. We're getting little tea, no nuts of any account, no olives, few spices and less coffee.

Nevertheless the Canadian soil is prolific. We will have plenty of fruits and vegetables of all kinds, flour and cereals, biscuits; fairly substantial quantities of canned fruits and vegetables are coming along; also tomato products, pickles, eggs, poultry, butter, fish and various meats.

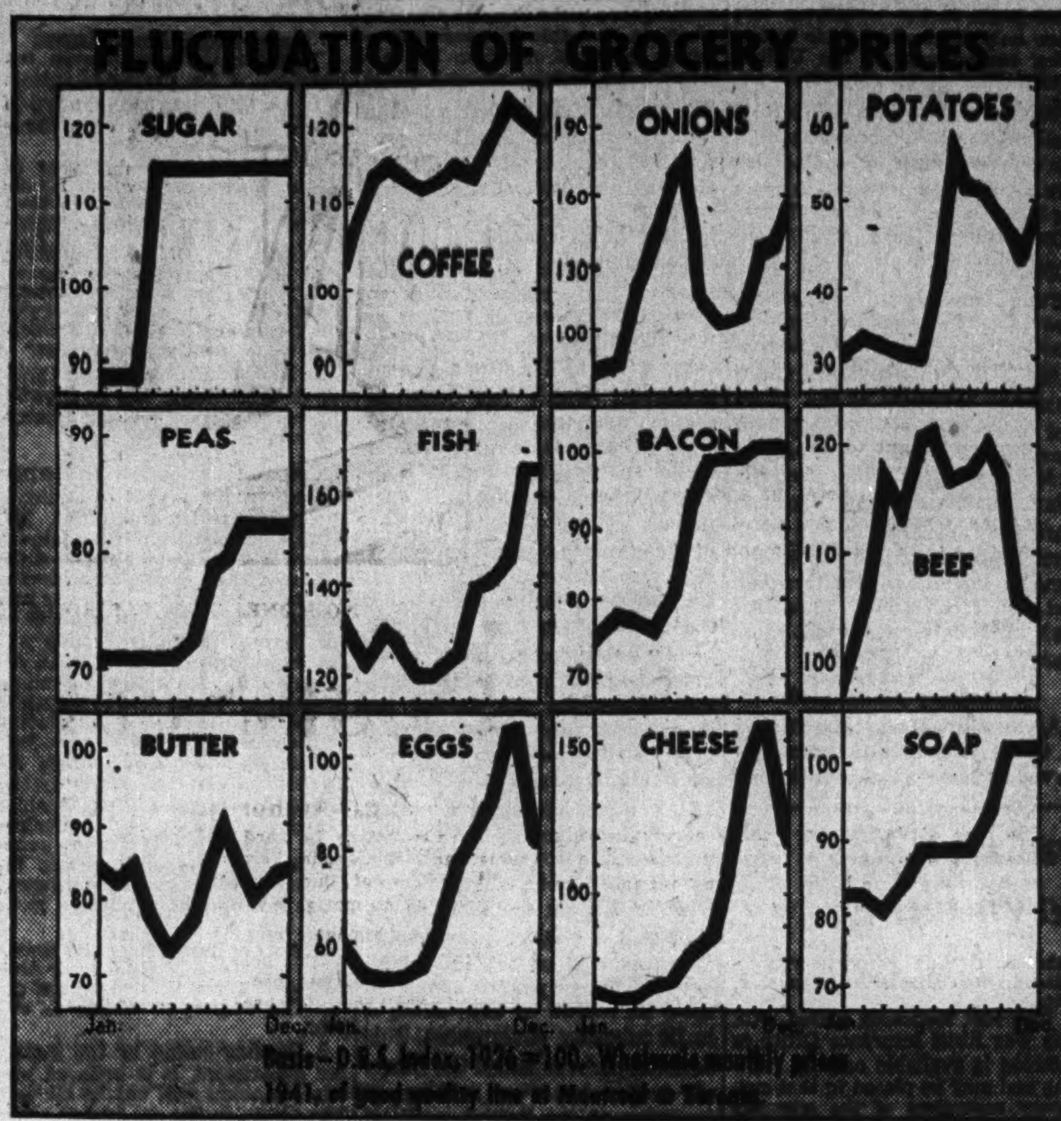

Chart by The Financial Post

These charts show the normal price fluctuations of staple grocery lines and graphically illustrate the difficulties facing the trade and the authorities in operating the present price ceiling.

United Securities Ltd. bondholders meet Sept. 10 in Montreal to consider a plan of arrangement calling for a revision of interest payments as a result of the inability of Montreal Tramways Co. to pay dividends.

Under the proposed plan, the present 5½% bonds will be replaced by new 3% collateral trust bonds maturing on the same date as the present issue, May 1, 1952. The new bonds are guaranteed as to principal and interest by Montreal Light, Heat & Power Cons. and Shawinigan Water & Power Co., which own 75% of United Securities stock.

The Week in Business

Business statistics continue to reflect the wartime character of the Canadian economy. Highlights of figures available this week are a rise in employment and payroll indices, increased railway carloadings and earnings, with a marked decrease in private sales of automobiles and trucks.

General business continues at a high level with the public looking for further extension of rationing. Rumors that soap is to be rationed have resulted in a jump in public demand for soap at retail stores.

Employment indices compiled by the D.B.S. for June show an increase in both manufacturing and general industry. The rise at June 1 however was less than seasonal, reflecting the approach of Canada to full employment. Employment in manufacturing made larger relative gains than normal. Payrolls are also higher, the Canadian Bank of Commerce payroll index for June being up four points.

Railway carloadings continue to show good increases over the previous year, being 66,246 in the week ended Aug. 7, against 63,144 in the corresponding week last year. Increase for 1942 to date is almost 9% with earnings for the year up 21% for the C.N.R. and almost 20% for C.P.R.

Automobile sales reflect the diversion of output into war channels and control of private purchases. For the first six months car sales have fallen 76% from 1941 with truck sales down 43%.

Construction contracts awarded in July were slightly above the same month last year. Total contracts for the first seven months are down 32% reflecting the smaller volume of buildings for war industry being erected as Canada nears full employment and productive capacity.

	July	June	May	Apr.	Year Ago
The Financial Post business index	....	165.7	168.5	166.0	162.0
Dom. war expend. (million $)	....	138.3	204.9	142.2	64.6
Dom. total revenue (do.)	....	115.4	333.9	170.8	85.3
Dom. total expend. (do.)	....	423.6	386.2	247.5	89.9
Retail sales index no.	....	....	149.1	155.7	134.5
Dept. store sales index no.	....	133.5	140.1	148.8	123.1
*Wholesale sales index no.	....	166.8	158.8	154.5	140.6
Country store (% change pr. yr.)	....	....	+11.7	+14.0	+8.8
Divd. payment index	122.6	121.8	120.9	121.0	118.8
Bank deposits (1926=100)	....	160.1	167.6	169.6	157.4
RAILWAY FREIGHT LOADINGS—					
Tons	....	188.9	183.0	189.3	174.9
Cars	....	141.4	142.3	140.3	133.9
COST OF LIVING—					
D.B.S. index	117.9	116.7	116.1	115.8	111.9
EMPLOYMENT INDEX Nos. D.B.S.—					
*All industries	....	171.7	167.4	165.2	152.9
*Manufacturing	....	205.9	202.3	199.4	168.0
Payroll (June 1/41=100) (b)	....	125.6	124.0	121.6	100.0
*Payroll index (a) (1937=100)	....	201	197	187	170

	1942	1941	Jan. 1 to date 1942	1941	% Change
RAILWAYS—					
*Carloadings (week Aug. 1)	66,246	63,144	1,964,131	1,802,988	+8.9
*C.N.R. gross (week Aug. 7) $	7,472,000	5,620,000	210,015,000	173,190,000	+21.3
*C.P.R. gross (week Aug. 7) $	4,836,000	4,246,000	147,795,000	122,445,000	+19.7
C.N.R. net revenue (June) $	10,821,000	8,849,000	40,893,950	34,128,769	+19.7
C.P.R. net revenue (June) $	4,174,365	4,068,304	21,948,083	19,919,694	+10.2
IRON AND STEEL—(June)—					
Pig iron production (tons)	167,961	125,790	974,000	700,817	+39.0
Steel ingots and castings prod. (tons)	254,163	209,622	1,559,238	1,286,246	+21.2
AUTOMOBILES—(Number)—					
Passenger Cars:					
Domestic sales .. (June)	474	8,099	14,044	58,083	—75.8
Trucks and Buses:					
Domestic sales .. (June)	546	3,554	11,817	20,770	—43.1
Financing:					
Used (June) $	1,920,568	6,047,421	9,716,035	29,227,587	—66.8
New (June) $	367,163	3,751,141	5,212,646	22,673,149	—77.0
CONSTRUCTION—					
*Contracts awarded . (July) $	32,093,400	31,954,800	167,040,600	247,421,400	—32.4
Cement prod., bbls. (Apr.)	619,907	568,681	1,602,615	1,531,733	+4.6
AGRICULTURE—					
Flour prod., bbls. .. (June)	1,335,177	2,117,978	9,725,208	10,016,499	—2.9
Cattle sales ...... (June)	92,559	82,866	524,829	476,488	+10.1
Hog sales ...... (June)	425,530	383,747	3,147,709	2,893,982	+8.7
SEA FISHERIES—‡					
Catch, cwts. .... (June)	810,400	857,800	4,101,540	3,546,400	+15.6
Landed value ...... (June) $	3,384,300	2,581,300	9,670,446	7,411,900	+30.4
NEWSPRINT—					
Production, tons ... (June)	242,762	273,687	1,658,174	1,621,134	+2.3
Exports .... (May) $	11,888,000	12,572,000	62,153,000	56,469,000	+10.0
MINING AND OILS—					
Coal prod., tons ... (June)	1,367,563	1,179,576	9,416,513	8,461,714	+11.2
Coal import, tons ... (May)	2,267,879	1,309,690	7,055,478	3,567,819	+97.7
Gold rec., fine oz. . (June)	398,695	405,631	2,370,188	2,530,879	—6.6
Crude oil, imp. gals.† (Apr.)	126,338	79,922	375,088	261,046	+43.7
ELECTRIC POWER OUTPUT—(June)					
Total monthly, 1,000 kw.h.'s	3,043,200	2,560,060	18,612,384	15,732,365	+18.3
FOREIGN TRADE—					
Imports .... (Apr.)	$141,946,063	106,268,419	548,514,620	402,264,731	+36.3
Exports .... (Apr.)	169,997,596	118,393,094	667,451,667	410,828,290	+62.5
OTHER INDUSTRIAL FACTORS—					
Dressed lumber exp.: 1,000 bd. ft. ...... (May)	172,854	152,756	701,305	782,052	—10.3
*Shoes, prod., pr. .... (June)	2,891,123	2,781,325	16,493,270	14,956,922	+10.3
Cotton consump., lb. (June)	14,970,262	15,915,739	99,626,902	98,620,215	+1.0
Raw rubber imp. lb. (Apr.)	17,023,133	[illegible],669,217	38,523,612	36,901,434	+4.4
Cigarette cons., No.† (June)	787,409	665,120	4,635,621	3,808,681	+21.7
Sugar manufactured .. lb.§	90,187,029	87,221,405	1,199,719,338	1,137,792,237	+5.4
FINANCE—					
Bank debits† ...... (June) $	3,767,042	4,240,630	21,591,707	18,810,099	+14.7
Bond sales† ...... (June) $	283,602	886,967	2,002,923	1,573,615	+27.2
Life insurance sales (June) $	43,898,000	33,670,000	238,780,000	198,766,000	+20.2

*D.B.S. All Canada figure covering 90% of the Canadian total.
‡Unrevised figures covering N.S., P.E.I., N.B., Que., B.C.
Total at yards and plants.
†000's omitted. §For four weeks to Dec. 31. Gold excluded.
Supplied by Nesbitt, Thomson & Co. *Preliminary.
(a) Compiled by Canadian Bank of Commerce. (b) All industries.

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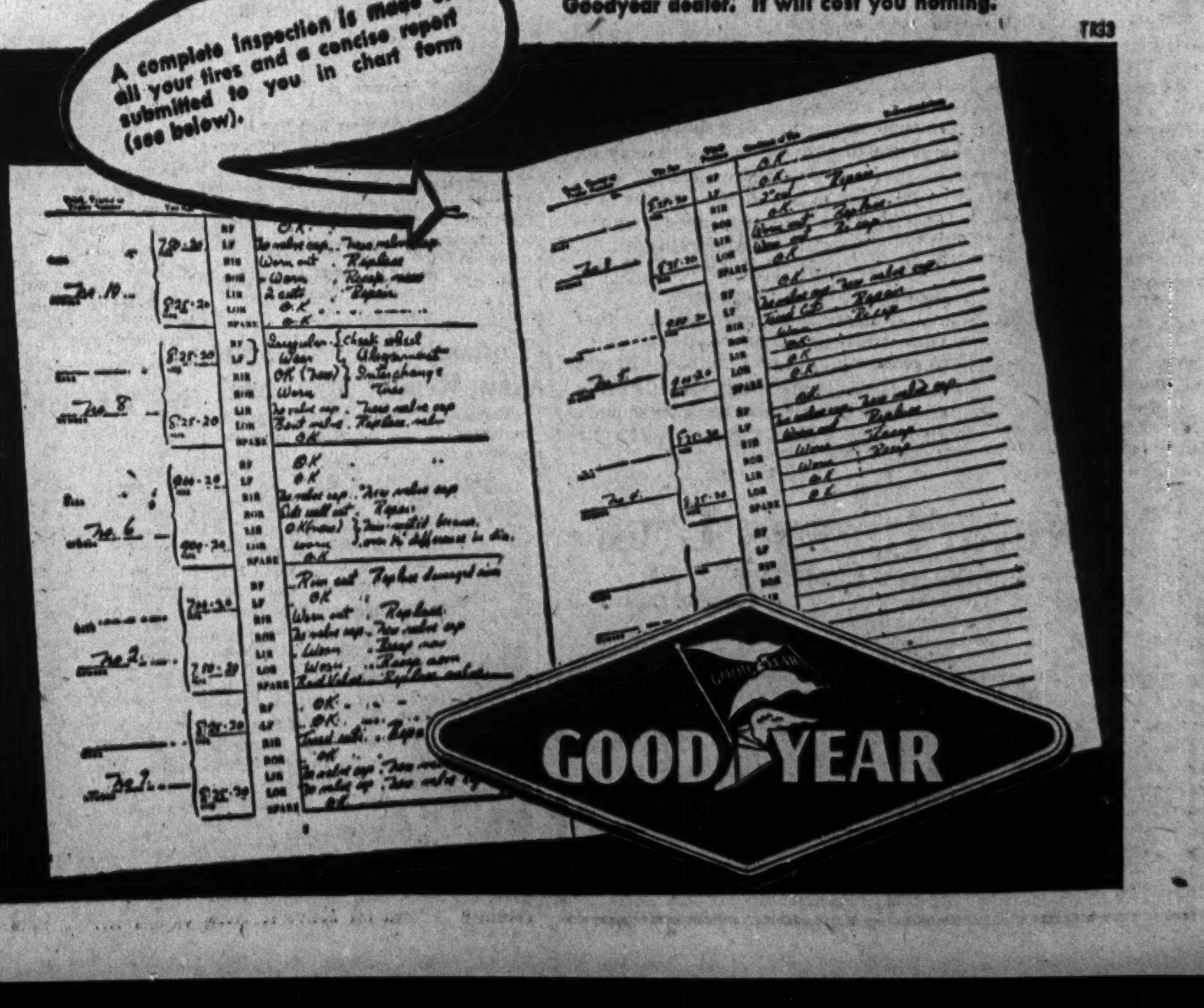

Life Insurance and Income Tax

Premiums on Dependents' Policies Allowed as Savings

Passage of the amendments to the income war tax act by the Dominion parliament puts in statutory form the position of life insurance premiums in regard to income tax. In a number of cases the clauses dealing with life insurance have been changed from those originally suggested in the budget speech. These changes have been to broaden the terms of the regulations to assist citizens desirous of increasing their protection for their dependents. Departmental rulings on points which are not yet clear are expected to be issued in due course.

Not Competitive

In recognizing life insurance and annuity premiums as an approved type of saving, the government has paid a strong tribute to life insurance. It is pointed out, however, that Finance Minister Ilsley has urged the need of increased voluntary savings and the government is campaigning for people to buy more war savings certificates and Victory bonds. Accordingly it is considered important that life insurance should not be bought or sold on the plan of using the premium as a substitute for paying the refundable portion of the income tax but entirely with the idea of providing needed protection for the policyholder.

Original Clause Broadened

In Mr. Ilsley's budget speech he indicated the intention of allowing taxpayers to deduct from the amount of compulsory savings required, premiums paid on life insurance policies in force prior to June 23. There was some speculation as to whether this meant premiums on policies on the taxpayer's own life or included premiums on policies of his dependents.

When the act was finally passed however, it was broadened by definitely including premiums on policies or annuities on the lives of the taxpayer's wife and other dependents provided the contracts were in effect before June 23.

As it was felt that setting of a deadline of June 23 might mean hardship to taxpayers who wished to increase their insurance protection for their dependents, the later draft of the act allows the taxpayer to deduct half the first year's premium and the whole of the subsequent year's premium on life insurance policies on the life of the taxpayer himself which were not in force on June 23 last. This extension evidently was made with the object of enabling the policyholder to obtain needed protection as it limits the types of policies on which premiums will be allowed to those of a strictly protective type. A ceiling of $100 is placed on the amount of new premiums that will be allowed as a deduction.

Protection Element

The protective element is kept in view also by permitting the taxpayer to deduct new premiums only on policies on his own life and not on the policies on his spouse or his dependents.

In addition to insurance premiums, payments by the taxpayer into approved annuity plans and principal payments on a mortgage on one residential property are also allowed.

Premiums in the act are defined as meaning: In industrial insurance the gross premiums for one year paid within the taxation year. This also applies in fraternal insurance.

In group insurance (it is understood), the premiums paid by the employee during the year.

In ordinary insurance policies, the gross premiums for one year less dividends paid, policy loans obtained, exclusive of interest and cash values paid within the taxation year.

As regards new insurance it is important that new policies satisfy the requirement that premiums will be payable during the lifetime of the insured or until he is 65. It is considered that the following plans comply with the requirements:

All term insurance plans.

Whole life policies with premiums payable for life.

Whole life policies which become paid up at 85 provided they are payable for 30 years. That means the buyer must take them out before he reaches 56.

Policies which become paid up at 65, provided they are taken out at age 35 or before.

Endowment plans on which premiums are payable for 30 years and until the buyer is 65.

This would include such plans as endowment at 85 provided it was taken out at age 55 or younger, also endowment paid up at 65 if taken out at age 35 or before.

Rulings Expected

There are a number of points still to be clarified. For instance there is considerable curiosity as to whether in estimating total deductions, premiums, dividends and policy loans etc., are to be considered on each policy of a taxpayer separately or the total grouped together. Points such as these will undoubtedly be dealt with in later departmental rulings.

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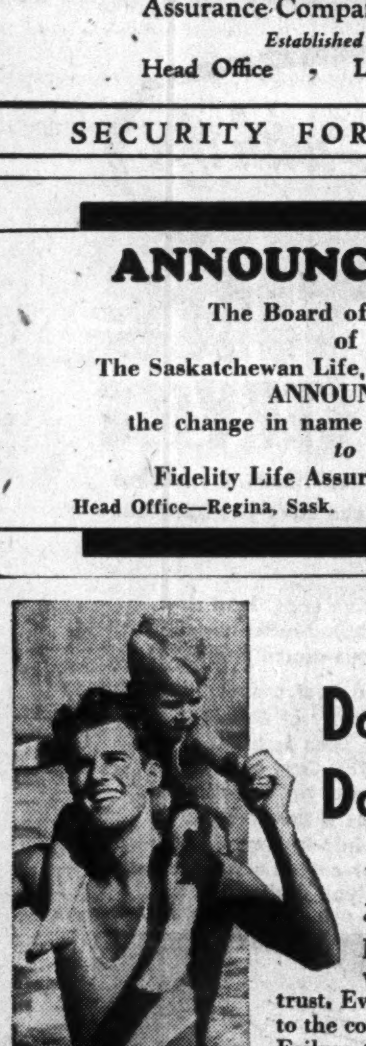

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Britain Achieved Economic Miracle

(Continued from page 1)

labor movement into a time when unions were being destroyed in most parts of the Continent and were only beginning their struggling ascendancy in the United States. The great consumer cooperatives—England's democratic specialty, entirely run by manual workers, not even by whitecollar folk—developed into the biggest big business in the country, transacted through 12,000 local retail stores.

Thanks to the old comprehensive social insurance system, drastically amended and enlarged in the 1930's, thanks to the slum-clearance activities of the 1930's and to ever-improved local government, the mortality rate showed further signal declines, and the infant mortality rate became more favorable than in any other great European nation (about the same as in Holland, Switzerland, and Scandinavia, but ahead of that in France and even Germany).

Democracy Maintained

As to political matters: Britain in these dangerous decades preserved full democratic continuity. This is certainly an expression of the fundamental British conservatism, shared by all classes, including the great majority of the workers. But this conservatism—whose political function has always been to take up and enact the reforms suggested by the radicals—did not preclude profound changes inside the British party system. Twice Britain handed over her entire government to the Labor party. A Labor Prime Minister directed the fate of the empire for seven years. Other European nations, as we know, during the first five years after 1918 suffered violent upheavals which left indelible marks. Even the United States went through hurtful years of "red scare" and reaction. In England, through the normal functioning of her flexible political mechanism, the voters unseated one of the two traditional parties, the Liberal, from the position of the second alternative party, and put the more radical Labor party in its place. With unwavering fair-mindedness the old parties acknowledged the young upstart.

By banding together, Conservatives and Liberals could easily have subdued the Labor minority, thereby introducing an element of violence into the political scene, as happened in most other countries. In Britain the Liberals (in 1924 still a mighty body of 159 members against 191 Laborites) gave the Labor party a chance to show its mettle by supporting it in its minority government. This decision perhaps sealed the Liberals' decline, but it was in the great tradition of the British political game and saved the country from doubting and distrusting the intrinsic fairness of this game.

Empire in Transition

As to empire matters: In these decades, which allegedly saw no change in tenacious British "imperialism," nothing less happened than that the old Empire disappeared altogether in all the colonies formed by settlers from the British Isles. Nothing happened except that a completely novel, immensely hopeful and exemplary society of six independent nations was created in the British Commonwealth of Nations. And wherever you look in the vast ambit of British Empire affairs you will see that nothing remained immutable in these hectic decades, and that in every aspect of these changes British efforts were deeply engaged not to frustrate, but to assist and to guide.

Yet their own "old trite indictment" is more to the liking of the fable-makers of our time. They urge England—of all nations—to become civilized at last. They do not even have to work out for themselves their complacent criticism of British shortcomings, for they find it ready-made in British self-criticism, for centuries an integral part of the British system. For generations the British have been forging ahead by their peculiar methods of trial and error and compromise, both among their citizens as individuals and in their responsible governments. These methods would never have worked out as they did without that important ingredient in the British character which at every turn in the road produces the severest self-criticism. This was the means by which conservatism was wedded to progress without resort to that poor (but vicariously glorified) expedient of politically unimaginative nations—chaotic revolution. In England, the dissatisfaction and criticism of today again and again engenders the formative ideas of tomorrow.

Any critical evaluation of Britain's economic policy after the First World War must start from these basic facts: that Britain emerged from the war with a staggering public debt; that, on balance, Britain never received any substantial reparation payments, since most of what she did get she passed on to the United States; and that she nevertheless succeeded in keeping her budgets balanced beginning with the first post-Versailles year 1920-21.

A Historical Miracle

The public outside England failed completely to realize what that country had quietly achieved in internal consolidation and modernization between the two World Wars. Criticism abroad ran in exactly the same ruts as if nothing at all had happened, and Hitler's informants seemed to find comfort and reassurance in this lore. It may be doubted that British public opinion itself realized the greatness of the achievements in this era compared with those of the rest of the world. All these features of mature national effort we mention (and the many others we do not mention) account for the great historical miracle of our time: that in this Second World War Britain, alone and unprepared, has withstood assaults of organized chaos under which any lesser nation must have crumbled.

Must Place Marine Policies In Currency of Payment

The Foreign Exchange Control Board has issued a circular drawing attention of Canadian importers and exporters to a basic ruling by the Board that marine insurance on ship cargoes must be placed in the currency in which payment for the goods is to be made. Payment of claims must also be obtained in the same currency. The rule applies whether the insurance is placed with a Canadian company or broker or direct with a foreign company or broker.

Practically the only foreign currency in which Canadians are now doing business is United States dollars.

Two exceptions to the rule are:

Where payment for the goods is made in sterling insurance may be placed in Canadian dollars and vice versa.

War risk insurance placed with the War Risks Insurance Office in London is available only in sterling and may be placed in that currency regardless of the currency in which payment for goods is to be made.

Reason for these exceptions is that while dealings in sterling are fairly free, the Board is anxious, to control dealings in U. S. funds to obtain as large an amount of them as possible.

In cases where an importer or exporter wants to place marine insurance in a currency not in accordance with the ruling, reference should be made to the Board.

On the Record

Col. W. R. McCaffrey, secretary, Canadian Engineering Standards Association, appointed secretary of the Technical Advisory Committee on Alloy and Special Steels.

No vacuum cleaners may be manufactured after Aug. 15 except by permit from the Controller of Supplies.

John R. Boys, Barrie, named consultant to the Munitions Contracts Branch of the Dept. of M. & S.

An estimated 200 million truck miles will be saved by the limitation of wholesale deliveries, according to the Administrator of Wholesale Trade.

E. D. Bonnard and Raoul Daigneault appointed by the W.P.T.B. to take charge of the Montreal office and the subregional offices in the Montreal district respectively.

W. G. Pulkingham, president, Sovereign Potters, Ltd., appointed technical adviser to the ceramics division of the Sundry Items Administration, W.P.T.B.

The price of tungsten has been raised from $20 to $24 per short ton unit.

Mme. Florence F. Martel, Outremont, Que., and **Miss Jean Hall**, Toronto, named assistants to **Mrs. Rex Eaton.**

Dr. H. B. Speakman, Ontario Research Foundation; **E. R. Rowzee**, Canadian Synthetic Rubber Ltd., **R. H. Boundy**, Dow Chemical Co., and **Dr. R. V. Yohe**, Akron, Ohio, appointed to the Synthetic Rubber Technical Advisory Committee.

Electric toasters, electric irons, or electric fans may not be manufactured after Aug. 15.

The over-all consumption of tin in Canada is now 40% less than it was before the war and the amount used for civilian purposes is 75% less.

Howard F. Baker, vice-president, Baker Advertising Agency Ltd., appointed deputy administrator of wholesale trade.

John H. F. Turner, Bank of Montreal, named cotton administrator.

Rubber for civilian use has been cut to between 10 and 15% of normal consumption.

New electric stoves in the hands of retailers, wholesalers and manufacturers have been frozen and no further sales may be made except under special permit.

D. Roy Cameron appointed deputy administrator (wood fuel.)

Monarch Life Appoints New Regina Manager

Thomas W. Warren, formerly city manager of the Monarch Life Assurance Co., at Saskatoon, has been promoted manager at Regina.

T. W. WARREN

Mr. Warren was born at Asquith, Sask., and educated at Saskatoon. After teaching school for six years he joined the field force of the Monarch Life in 1938, serving successively as local agent, full-time representative, branch cashier and city manager. He replaces R. Meadows, who recently enlisted for active service.

Note Issue Up To New High

Bank of Canada Circulation $571 Millions — Less Sterling Held

Note circulation of the Bank of Canada continues to increase, the figure for the week ended Aug. 5 reaching the record new high of over $571 millions. The demand for cash for payrolls, etc., is stated to be the main reason.

Holdings of sterling exchange showed a drop of $16.6 millions. The wide fluctuations in this item from week to week, it is understood, reflects transfer of sterling acquired by the bank and turned over to the Foreign Exchange Control Board in connection with Canada's gift to Britain. These wide changes are expected to continue until the $1 billion is cleaned up.

	Aug. 5 1942 $	July 31 1942 $
Liabilities		
Capital paid-up	5,000,000	5,000,000
Notes in circ.	571,650,160	560,953,984
Rest fund	5,585,705	5,585,705
Deposits: Dom.	39,743,100	46,134,925
Banks	220,292,848	250,442,989
Other	22,433,921	13,327,504
Total deposits	282,469,869	309,905,418
All other liabs.	11,804,330	8,880,744
Total liabs.	876,510,064	890,325,851
Assets		
In Sterling & U. S.	17,189,680	33,705,464
Subsid. coin	385,417	408,725
Investments:		
Dom. gov. sh.	500,325,200	504,347,467
Other Dom. gov.	340,226,480	338,134,372
Total invests.	840,551,680	842,481,839
Premises	1,986,427	1,990,963
All other assets	16,396,860	11,738,860
Total assets	876,510,064	890,325,851

Saskatchewan Life Changes Name

The Saskatchewan Life Insurance Co. officially announces change in its name to Fidelity Life Assurance Co.

At the last annual meeting, the president of the company explained the original name was considered too provincial, in view of the aim of the management to expand its operations in each of the four western provinces. The change in name was authorized at the last session of the Dominion Parliament.

The company was originally organized under Dominion charter in 1912 and began business in 1914. At the end of 1941 it had business in force of over $8.2 millions and total assets of $1.9 million. The head office is at Regina. C. M. Willoughby is president and M. B. Farr general manager.

Weekly Bank Clearings

	Aug. 6 1942 $	Change Year Ago %	July 30 1942 $
Halifax	4,435,016	+20.6	4,944,498
Saint John	2,431,045	+3.9	2,141,915
Moncton	1,336,706	+23.9	1,197,409
Sherbrooke	964,570	—7.8	930,035
Quebec	6,506,776	+8.8	5,776,914
Montreal	139,251,159	+8.3	100,000,933
Ottawa	79,715,138	+22.6	43,587,077
Kingston	751,985	+1.4	680,147
Peterborough	788,380	+3.3	654,951
Toronto	145,710,147	+27.4	121,117,533
Hamilton	6,628,844	+0.9	6,009,325
St. Catharines	1,308,544	+12.4	1,286,650
Kitchener	1,129,739	—5.1	1,106,222
Brantford	1,150,235	+15.5	866,751
London	2,704,634	—11.9	2,501,471
Chatham	602,[illegible]	+4.2	611,361
Windsor	3,708,666	+20.8	3,970,296
Sarnia	521,856	+3.5	386,315
Sudbury	965,432	—6.7	1,119,640
Fort William	1,038,541	—2.3	1,122,258
Winnipeg	48,287,487	—18.9	40,504,771
Brandon	537,216	+18.3	459,258
Regina	5,635,355	—0.3	6,013,018
Moose Jaw	803,230	+30.2	659,135
Saskatoon	2,448,795	+29.6	1,657,633
Prince Albert	563,011	+5.2	438,119
Edmonton	6,113,350	+22.3	5,231,023
Calgary	7,445,656	+16.5	5,897,552
Lethbridge	638,025	+3.1	591,940
Medicine Hat	387,238	+6.1	296,508
N. W'minster	851,407	—12.6	1,150,019
Vancouver	25,131,074	+18.4	22,006,086
Victoria	2,448,796	+12.4	1,748,668

Your Income Tax

Payments of income taxes collected at the source begin in September. In this weekly column, The Financial Post answers problems you may have in connection with your income tax. In some cases, rulings have yet to be made, hence The Post can only cite informed opinion.

Insurance Premiums

1. Under the new income tax regulations, are payments against a loan on life insurance allowed to count as part of the compulsory saving?

2. Does payment this year of profits on a policy, which I have been having deducted from total premium, count against compulsory saving? I could, of course revise the arrangement as regards this year's premiums and forward cheque for amount of profits deducted from this year's premium. But what about previous years?

3. If past due premiums are paid up this year would they be allowed to count against the compulsory savings?

—

1. No ruling or opinion on the new regulations has as yet been issued by the income tax authorities. But it is understood payments against a loan would not be allowed as a deduction from compulsory saving. The act in section 7A mentions premiums on life insurance policies on the lives of the taxpayer, his wife and his dependents as allowed deductions. It then defines premiums as meaning "in the case of industrial or fraternal insurance the amount of the gross premiums for one year and in all other cases means the gross premiums for one year less dividends paid, policy loans obtained exclusive of interest, and cash values paid within the taxation year." These loans are considered in the nature of ordinary debts and repayment therefore is not likely to be allowed.

2. Answer to Question 1 answers this. Profits from a policy or dividends as they are called are not deductible for the current year or any year.

3. Pending ruling by the income tax department, it is believed past due premiums will not be allowed. The clause in the act quoted above indicates that the maximum amount that can be deducted under life insurance payments is the gross premium for one year. In types of insurance other than industrial or fraternal it is noted dividends, policy loans and cash values paid within the year are to be deducted from the gross premiums.

* * *

Refundable Portion

How is the refundable portion of the income tax computed?

—

The refundable part of the tax is computed by taking the lesser of:

1. One half your total tax, or

2. If single 8% of your taxable income during the taxation year with a maximum allowed of $800 plus 1% for each dependent (maximum allowed $100 for each).

3. If married 10% of taxable income with a maximum allowed of $1,000 plus 1% for each dependent (maximum allowed $100 for each).

You must therefore make two calculations, one the half of your total tax payable and the other the stated percentages of your income and then take these two separate figures and compare them with the arbitrary limits set of $800 for a single person and $1,000 for a married person plus an additional $100 for each dependent. Whichever of the three amounts is the smallest is the amount of your refundable taxes.

In computing the percentages allowed, note that when the bill finally passed, it stated the percentages of 8% or 10%, etc., were to be taken of the taxable income. The original budget resolution mentioned only "income" indicating the percentage could be taken on the total income.

* * *

Investors' Certificates

I have a 10-year installment investment certificate of Investor's Syndicate of Canada for $1,000 which matures in September. As it bears a high rate of interest, the company will exercise its option and redeem it for its face value. Is income tax applicable on any portion of the amount to be received?

—

Yes. Income tax will be applicable on the increment received over the amount the investor paid in. It becomes taxable when the investor withdraws his money.

* * *

Taxable Income

What is meant by taxable income as compared with total income?

—

Taxable income is arrived at by taking the total income and deducting from it:

Payments into approved superannuation funds.

Charitable donations.

Medical and similar expenses over 5% of your income with a maximum of $400 in the case of a single person and $600 for a married person with an additional $100 allowed for each dependent.

The remainder is regarded as your taxable income. It is used in computing your normal tax. In computing your graduated tax, the statutory exemption of $660 is regarded as part of the taxable income on which no tax is due. When it is deducted the balance is called the net taxable income.

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NATIONAL WAR LABOUR BOARD

GENERAL ORDER

The Dominion Bureau of Statistics has found that the cost of living index number for July 2, 1942, of 117.9 (adjusted index 117) has risen by 2.4 points over the index for October 1, 1941, of 115.5 (adjusted index 114.6).

Accordingly, pursuant to the provisions of Section 34 (1) of the Wartime Wages Control Order P.C. 5963, and subject to the general provisions of the Order, the National War Labour Board orders that employers subject to the Order who are paying a cost of living bonus shall adjust the amount of such bonus payment, and employers who are not paying a cost of living bonus shall commence the payment of such a bonus, both effective from the first payroll period beginning on or after August 15, 1942, as follows:

(a) If payment of a cost of living bonus is being made pursuant to the provisions of Order in Council P.C. 8253 (now superseded by P.C. 5963):

(i) For employees to whom Section 48 (iii) (a) of P.C. 5963 applies, the bonus shall be increased by the amount of sixty (60c) cents per week,

(ii) For employees to whom Section 48 (iii) (b) of P.C. 5963 applies, the percentage of their weekly wage rates, paid to them as a cost of living bonus, shall be increased by 2.4 points;

(b) If no cost of living bonus is being paid, the payment of such a bonus shall be commenced:

(i) For employees to whom Section 48 (iii) (a) of P.C. 5963 applies, in the amount of sixty (60c) cents per week,

(ii) For employees to whom Section 48 (iii) (b) of P.C. 5963 applies, in the amount of 2.4% of their weekly wage rates;

(c) In no case shall the amount of a cost of living bonus adjusted as stated exceed a maximum of $4.25 per week to employees to whom Section 48 (iii) (a) of P.C. 5963 applies, and of 17% of their weekly wage rates to employees to whom Section 48 (iii) (b) of P.C. 5963 applies:

(d) (1) (i) For employees to whom Section 48 (iii) (a) of P.C. 5963 applies now being paid a cost of living bonus, not pursuant to the provisions of P.C. 8253, established prior to the effective date of that Order, in an amount exceeding $4.25 per week, the amount of the bonus shall remain unchanged,

(ii) For such employees now being paid a cost of living bonus of less than $4.25 per week, the amount of the bonus shall be increased up to sixty (60c) cents per week, but in no case to exceed a total weekly bonus of $4.25;

(2) (i) For employees to whom Section 48 (iii) (b) of P.C. 5963 applies, now being paid a cost of living bonus, not pursuant to the provisions of P.C. 8253, established prior to the effective date of that Order, in an amount exceeding 17% of their weekly wage rates, the amount of the bonus shall remain unchanged;

(ii) For such employees now being paid a cost of living bonus of less than 17% of their weekly wage rates, the bonus shall be increased up to 2.4 points, but in no case to exceed a total weekly bonus of 17% of their weekly wage rates;

(e) The adjustment or payment of a cost of living bonus calculated as ordered shall be to the nearest cent of any fractional figure;

(f) Employers in the construction industry shall adjust the amount of any cost of living bonus required by paragraph (a) of this order only for employees in respect of whom no special bonus arrangement has been made with the approval of a War Labour Board, pursuant to the provision of the Order for the conduct of the National Joint Conference Board of the Construction Industry

Ottawa, Ontario,
August 4, 1942.

HUMPHREY MITCHELL,
Chairman, National War Labour Board

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Where Do We Stand on Synthetic Rubber?

North America Plants Will Soon be Turning Out Sufficient For Military Needs But No Hope For Civilian Consumers — Plenty of Raw Materials

By ARTHUR D. ELLWOOD

President Roosevelt said the other day that there are more "experts" on synthetic rubber than there are varieties of pickles. He suggested that the proportion should be at least 10 to 1, assuming that there are "57 varieties" of pickles. And the inevitable result has been the greatest confusion in the mind of the general public as to just where we stand in the development of substitute for rubber.

Probably no other aspect of the North American war effort has been so subject to controversy, changes and new developments as have our efforts to fill the tremendous gap left when Japan captured the sources of 90% of the world's natural rubber. There seemed little solution to this problem other than build sufficient synthetic capacity to meet at least the most urgent war needs. This policy has been adopted but those in charge have found themselves handicapped by the very variety of possible methods and solutions.

Conflicting Interests

The rubber industry and the oil industry got into the field early and showed a disposition to be jealous of one another. The leading chemical companies had their share in the process. Controversy waged as to whether any one of half a dozen or more types of synthetic rubber should be used. Then every time the seriousness of the problem was just being driven home to the general public someone would come along with a new method to make synthetic rubber or someone else would advocate recovery of a natural rubber from goldenrod, dandelions, milkweed, the guayule bush or what have you.

Moreover, what was probably the most *bitter fight* was waged over the final selection of which of a wide variety of possible sources of the raw materials for synthetic rubber should be used. Spokesmen for farm interests insisted that alcohol made from grain, potatoes or other crops should play a major part in the programme. The oil industry claimed that the best and most efficient method was to use by-products of the refining of petroleum.

So complicated is the whole subject and so numerous the possible developments that no prudent man would make positive statements as to which of the many types of synthetics will prove the best. Already research has improved manufacturing methods, cut the potential costs and improved the product. Early estimates of the cost of erecting the plants ranged from $1,000 per ton of annual capacity for the Buna type of rubber to $750 for the Butyl type. Already these estimates have been whittled to $600 a ton for the former and as low as $350 a ton for the latter.

Whittling Costs

W. S. Farish, president of Standard Oil Co. (New Jersey), a leader in synthetic rubber development, recently told a U. S. House subcommittee on mines and mining that initial cost of Buna rubber made from petroleum should be about 30 cents a lb. but that this can be reduced to 20 cents or less. Butyl rubber plants will probably start with an initial cost of about 20 cents a lb. and can hope to reduce this to between 10 and 15 cents a lb.

This would compare with an average cost of natural rubber in recent years of from 15 to 20 cents a lb. It dramatizes the possibility that the new synthetic products may permanently replace a large proportion of the natural product.

As now lined up the programme in Canada hinges round the plant being built by Polymer Corp., a Government-owned company. This is expected to turn out 14,000 long tons of rubber in 1943 and to have an eventual annual capacity reached the following year of 40,700 tons. Capital cost will be around $40 millions, giving an average plant investment of just under $1,000 a ton of annual capacity. This is considerably higher than the U. S. plants hope to achieve where larger annual output and lower equipment costs are advantageous.

Canada's programme involves both Buna-S and Butyl types of synthetic with the former comprising about 70% of output. Of the Buna-S, about 6,000 tons is to be made from butanol (butyl alcohol) which in turn will come from existing distilleries and will use grain as its prime raw material. The rest is to use Butadiene recovered from refinery gas at the Imperial Oil's Sarnia refinery.

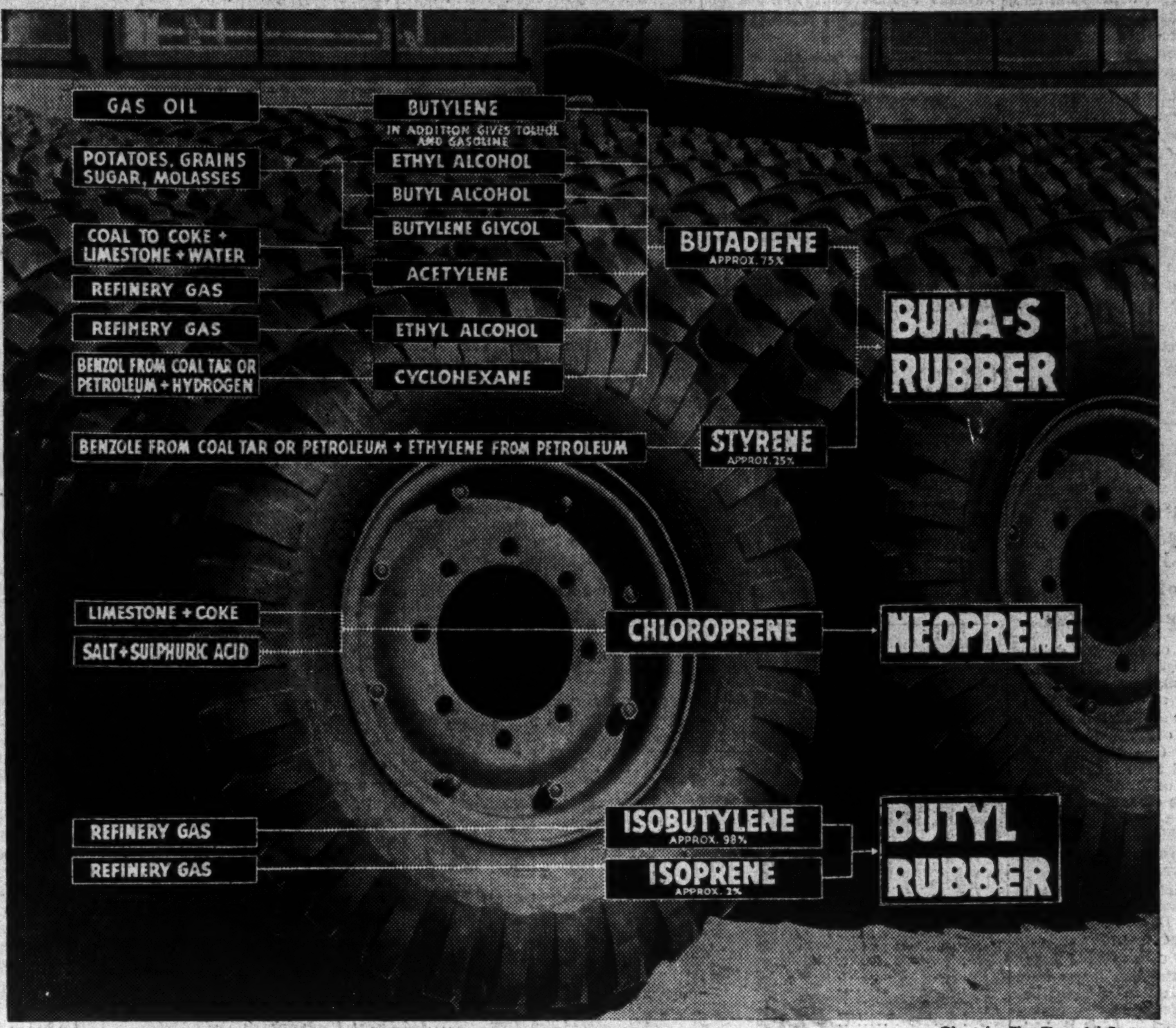

Chart by The Financial Post

The styrene needed is being recovered from other sources. Practically all of the Canadian synthetic output is earmarked for war purposes, although the total planned is almost equivalent to total normal civilian use.

Germany, Russia and the United States have taken the lead in developing and perfecting synthetic rubber. Germany alone is reported to have developed 13 types. At present the leading types in the public eye include:

Buna-S.
Buna-N or "Perbunan."
Butyl, a development by Standard of New Jersey.
Neoprene, made for a number of years by E. I. Dupont de Nemours.
Thiokol, a Dow Chemical Co, product.
Ameripol, made by B. F. Goodrich Rubber Co.
Chemigum, made by Goodyear Tire & Rubber Co.
Hycar, made by Hycar Chemical Co. (owned by Phillips Petroleum Co. and B. F. Goodrich Co.)

Of this list, by no means guaranteed complete, the first five appear to be playing a major part in the synthetic rubber programme through which the United States and Canada are setting out to supply the Allied world with its essential needs, supplemented by available crude rubber stocks, reclaimed rubber and what can be imported from the remaining sources of natural rubber still open. Great Britain is not making synthetic rubber, apparently because the best raw materials—alcohol and petroleum—would have to be imported as would much of the equipment and plant.

Buna-S, the synthetic that is expected to supply the major portion of the new product, is a development by the I. G. Farben laboratories in Germany, shortly before Hitler came into power. It is a refinement of a crude synthetic product of which Germany turned out about 2,000 tons during the last war.

The name Buna is derived from the original World War 1 process which consisted in polymerizing—a chemical process causing simple hydrocarbon molecules to link into giant molecules—butadiene, itself a gaseous hydrocarbon, in the presence of sodium. The name is a combination of the chemical symbols of these two materials—BU for butadiene and NA for sodium. Somewhat later the I. G. Farben chemists discovered better and faster methods, one of the new types evolved linking butadiene and styrene in the proportion of 75% butadiene and 25% styrene—hence the common name of today—Buna-S.

Abundant Raw Material

This basic raw material, butadiene, can be obtained from many different sources—from alcohol made from grains, molasses, natural gas or almost any starchy vegetable material, or from petroleum, or coal and limestone. Germany, lacking many of these resources, settled on coal and limestone by a costly, round-about process through calcium carbide and acetylene gas.

Buna-N, also a development from basic German methods, uses butadiene and polymerizes it with about 25% of acrylonitrile, also known as vinyl cyanide, and derived from cyanamid. American Cyanamid has been making this product for the past couple of years. Buna-N type of rubber has been sold in the U. S. under the trade name of "Perbunan" for special uses, particularly those requiring a high degree of resistance to penetration oil, something that is highly destructive to natural rubber.

Buna-S has been proved as a reasonably satisfactory rubber from which to make tires, either alone or combined with natural or reclaimed rubber.

Each new type of synthetic creates its own problems. Some combine with natural rubber or other synthetics; some don't. Some wear well under certain conditions where others would fail.

One of the most serious problems said yet to be solved is how to make heavy truck tires from synthetic. Experiments to date indicate that it is not difficult to make tires for ordinary passenger cars from the Buna types and that the product will give fair service, at least comparable to that given by natural rubber tires of the 1920's. But there still is a tendency to generate too much heat in the carcass of the tire, a factor of great importance in heavy duty tires. It seems that no really satisfactory inner tube has yet been made. The fact must be remembered that the present natural rubber tires and tubes are the product of 40 years of experiment and progress; synthetic rubber is new and still in the development stage.

The Butyl Base

Butyl rubber is a discovery of Standard Oil of New Jersey. Its main raw material is not butadiene but isobutylene, a basic gaseous hydrocarbon collected directly from the refinery-gas stream and polymerized directly into synthetic rubber. In manufacturing, it has the great advantage of being made in a continuous process as opposed to the batch process which Buna-S requires. It is a process that cannot be separated from oil refinery operation. Patents were filed in 1938 and in 1940.

First experimental tires made from butyl gave about 50% of the performance of natural rubber tires, a performance which technicians regarded as excellent for the first trial of a new synthetic.

Butyl rubber, like all other synthetics is inferior to natural rubber in certain respects, notably bounce. But it is better in others, being practically impervious to the action of air, oil and most chemicals. It does not adhere to natural rubber and therefore cannot be made into a mixed rubber tire but it does make all-synthetic tires. It may prove the best bet for inner tubes because it is so impermeable to air and liquids.

This One Well Established

Neoprene was introduced by Du Pont in 1931 and has already won several special places in commerce. Its price had been reduced from $1.05 a lb. to 65 cents before the present expansion programme started. It is a polymerization of chloroprene, from the raw materials hydrochloric acid and acetylene. In many physical characteristics it is far superior to natural rubber, notably in its resistance to oil and chemicals. Self-sealing gasoline tanks and oil-resistant hose lines have long used neoprene. In its decade of development, a wealth of technical experience in its use has been built up and some technical men claim neoprene is the best prepared synthetic from the technical standpoint.

Outside its cost, neoprene makes a tire, either by itself or in combination with natural rubber, that has performed comparably with Buna-type treads. For a number of years, special tires have been made from neoprene and used in the oil fields with success. In the monster U. S. synthetic rubber programme, neoprene plays a modest part to the tune of a projected 40,000 tons annually, about double current rate of output.

Thiokol is another all-American develop-

(Continued on page 10)

Chart by The Financial Post

This map explains the urgent concern of the United Nations over rubber. Ninety per cent of the natural supply originates in this area. Except for the island of Ceylon, practically the whole is now controlled by the Japs.

How the Draft Machinery Works

By KENNETH R. WILSON

One storm centre of Canada's manpower question is the country-wide draft board machinery set up just two years ago and now directing the flow of nearly 1,000 men a day into the Canadian army.

Reason for the controversy is that these draft boards — independent, autonomous — operate presently under the Department of National War Services. What is claimed is that there can be no effective mobilization of manpower unless and until all decisions affecting allocation of manpower are placed under one authority — the Department of Labor.

Shift Intimated

Last March, in announcing the new policy of National Selective Service, Prime Minister King made it clear the authority being granted the newly created National Selective Service organization (within the Department of Labor) would not embrace either voluntary recruiting or the drafting of manpower for the army under the Natural Resources Mobilization Act. He did announce that the administrative responsibility for national registration (formerly under the Department of National War Services and the basis on which men are still called for home defence service) would be shifted to the labor department. He then added:

"The responsibility for increasing the total manpower available for war service has been largely centred in the Department of Labor. It would not, however, be possible even if it were desirable to centralize in one department of government all the administrative responsibility for allocating manpower and for directing men and women into the most useful form of service . . . the armed forces will continue to recruit men for the active Army, the Navy and the Air Force by the present voluntary methods. The calling up of men for compulsory military training and service will continue to be the responsibility of the Department of National War Services."

Thus, for the past two years (and even since the establishment of National Selective Service machinery for the mobilization of industrial manpower under the Department of Labor) Canada's draft board machinery continues to operate independently and to bear the chief burden for recruiting and sorting the number of men required by the army month by month.

Until June of this year, the "draft" averaged 4,500 men each month. The highest number of men accepted in any one month was 7,024 on Jan. 8, 1942. In the 14 training periods between March, 1941 and May, 1942, approximately 63,000 men were accepted for training.

Starting in June, 1942, the call was increased to 7,000. In July it was raised to 15,000. or August it is 25,000. For September it will be 20,000.

Thus in the four-month period (June-September, 1942) the army has ordered the draft machinery of National War Services to produce more army manpower than was required in the entire preceding year and a quarter.

Even more significant is the fact that the ratio of men called to those accepted, is now approximately 10 to 1. The earlier ratio, when the army was calling single men in the 20 to 25 year age groups, was only about 3 to 1. Now top limit has been raised to 45 and certain classes of married men are also eligible.

This means that whereas possibly 200,000 men were called for army service in the 15 months prior to June, 1942, there will be between 600,000 and 700,000 requisitioned in order to meet the midsummer demand for 67,000 draftees.

Who and what comprises the machinery through which these men are called?

The Machinery

Under the National War Services Regulations, 1940, Canada is divided into 13 administrative divisions corresponding to the 13 military districts into which Canada has traditionally been divided. In each division there is a National War Service Board consisting of three members of whom one is to be "a Judge of a Superior or other court of the province in which the larger part of the administrative division is situated." The judge is chairman of the board. In each division there is appointed also a Divisional Registrar.

Under the act, whenever a proclamation requiring a certain number of men has been issued, the Registrar (under instructions from the Minister of National War Services) is required to obtain a certain number of men from his division and call out such men "for any period of military training to be carried out or performed at any stated place or places and at any indicated time." For purposes of the act, the age registration lists as compiled by the National Registration of 1940 are used. These lists are now being checked against recent voluntary enlistment in the army. Since this check was not made originally, thousands of men who enlisted, say 8, 10 or 20 months ago, are still liable to draft call under NRMA. Thus, in Toronto recently a woman received a draft call for her son who was taken prisoner at Hong Kong.

Last March, when the draft age was considerably extended, Prime Minister King announced that a plan was being worked out whereby men would be called by lot. This plan is now understood to have been abandoned.

Deferment Cases

Once lists of eligible men are prepared and those selected have been notified, these men are required to submit to medical examination within three days. They may, however, seek deferment by appearing before the Divisional Board. The only persons exempted from military service without making formal application for deferment are judges, clergy, members of the armed forces or R.M.C. cadets, permanently-employed members of the R.C.M.P. or the provincial police forces; and at the discretion of the board, members of civic police forces, fire brigades, wardens and officers of penitentiaries, prisons, asylums, etc.

At all hearings for deferment, representatives of the Department of National Defence, of the National War Board, of the Department of Agriculture, or a representative of the Director of National Selective Service is entitled to be present and make such representations "as they may deem fit."

No deferment order may be for more than six months but one or more extensions may be granted upon review. Deferment orders are subject to cancellation at any time "for military reasons or for cause" and according to the act "there shall be no exemption and no indefinite postponement of military training or service."

Major considerations affecting postponements are seasonal occupations; "essential" war industry; college students, Mennonites and Doukhobors, conscientious objectors.

All board hearings are in camera.

Composition of the Draft Boards, according to officials at Ottawa, is "political." Presumably that means the appointments made to the boards apart from the 13 judge-chairmen. These boards are considered to be "independent and autonomous," guided only by directives from the War Services department at Ottawa.

One criticism of the present draft machinery in Canada is that there is a very wide variation in the way in which applications for postponement are handled.

Personnel of the boards and the local registrars are as follows:

Division A—London, Ont.
Chairman:
Hon. Mr. Justice W. T. Henderson, Osgoode Hall, Toronto.
Members of the Board:
Clarence Grieve, Ingersoll, Ont.
Harry J. Mero, Windsor.
Divisional Registrar:
William A. Martin, Carling Block, London.

Division B—Toronto.
Chairman:
Hon. Mr. Justice John G. Gillanders, Osgoode Hall, Toronto, Ont.
Members of the Board:
F. C. Ridley, 90 Markland St., Hamilton.
Thomas H. Roadhouse, 293 Bay St., Toronto.
Divisional Registrar:
R. A. Irwin, 200 Bay St. Toronto.

Division C—Kingston, Ont.
Chairman:
Hon. Mr. Justice Ainslie W. Greene, County Court House, Kingston.
Members of the Board:
James R. Maclaren, Fulford Bldg., Brockville.
William A. Parisien, Montreal Road, Cornwall,
Divisional Registrar:
Lorne McDonell, County Court House, Kingston.

Division D—Port Arthur.
Chairman:
Hon. Mr. Justice A. J. McComber, Port Arthur.
Members of the Board:
Col. Milton Francis, 99 South Cumberland St., Port Arthur.
Major George R. Carmichael, Kenora.
Divisional Registrar:
W. Alex Elliott, Court House, Port Arthur.

Division E—Montreal.
Chairman:
Hon. Mr. Justice A. Trahan, Montreal, P.Q.
Members of the Board:
Dr. C. H. Barr, 354 Church St., Montreal.
Felix Messier, M.L.A., Merchant, St. Antoine, Verchere County, P.Q.
Divisional Registrar:
Raymond Ranger, 405 Transportation Bldg., Montreal, P.Q.

Division F—Quebec.
Chairman:
Hon. Mr. Justice Alfred Savard, Court House, Quebec, P.Q.
Members of the Board:
Arthur Guilmet, 54 Conroy St., Quebec, P.Q.
Phydime Dumais, St. Pacome, Kamouraska County, P.Q.
Divisional Registrar:
Henri-Paul Drouin, Post Office, Upper Town, P.Q.

Division G—Halifax, N.S.
Chairman:
Hon. Mr. Justice J. Doull, Supreme Court, Halifax, N.S.
Members of the Board:
Hon. Mr. Justice Neil McArthur, Sydney, N.S.

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Mining INVESTMENTS

Like other industries, mining will assume the burden of another cost Aug. 15, when a new schedule of cost-of-living bonuses goes into effect, involving higher payments to persons earning less than $2,100 a year. The limit is $4.25 a week, or 71 cents a day. Since Nov. 15, 1942, most mines have been paying 61 cents a day, or $3.65 a week.

* * *

Paymaster Consolidated's production in July was the highest for any month in the mine's history. Preliminary returns place the output at $162,667 from 17,888 tons milled, an average of $9.09 from 577 tons per day. The June output was $157,597 from 17,991 tons, or an average of 8.76 from 600 tons per day.

Including the preliminary figure for July, production in the first seven months of 1942 has been $1,095,347 against $1,030,311 in the first half of 1941. Average recovery in the seven months has been $8.72 per ton an increase of 5½% over average recovery of $8.26 in the corresponding period last year.

	Tons milled	Tons daily	Recov. per ton $	Total Recov. $
1942, 7 mos.	125,591	592	8.72	1,095,347
1941, 7 mos.	124,775	589	8.26	1,030,311
July, 1942	17,888	577	9.09	†162,667
June, 1942	17,991	600	8.76	157,597
July, 1941	17,903	578	8.37	149,851
June, 1941	18,259	608	8.17	149,176

†Preliminary.

* * *

Operations at the properties of Base Metals Mining Corp. have been adversely affected by labor conditions, states President J. H. C. Waite in an interim report. He says that unless the situation can be improved in the near future it will result in a curtailment of metals urgently needed for war purposes.

* * *

Francoeur Gold Mines, located in Beauchastel twp., Quebec, produced $206,272 in the first half of 1942, against $292,598 in the first half of 1941, according to Quebec government figures. In the first six months this year, 36,295 tons of ore were milled, at the rate of 201 tons per day, and average recovery was $5.68 per ton. In the corresponding period last year, 39,396 tons were milled, daily rate was 218 tons, and average recovery $7.43 per ton. In June this year production was $37,093 against $46,874 in June, 1941. Results for the four periods follow:

	Tons milled	Tons daily	Recov. per ton $	Total Recov. $
1942, 1st half	36,295	201	5.68	206,272
1941, 1st half	39,396	218	7.43	292,598
June, 1942	5,673	189	6.54	37,093
June, 1941	6,252	209	7.43	46,874

No Distribution Of McKay Assets

McKay (Quebec) Exploration Ltd. has issued a financial statement covering the fiscal years 1938, 1939, 1940 and 1941, and the period to June 30, 1942.

In June the management won a contest for control with Coniagas Mines by a slim margin, it is reported. The 1938-1942 balance sheet is a result of requests made at the meeting.

Coniagas argued that the old board had not seen fit to advise shareholders of the position for four years, and sought election of a new board, proposing, if successful, to distribute assets to the shareholders.

Notable among the assets are 150,000 shares of Labrador Mining & Exploration, which recently came under the control of Hollinger. Distribution would have meant approximately 15 shares in the Labrador for each share of McKay. Originally, McKay (Quebec) held 200,000 shares, but sold 50,000 to Hollinger.

Since the June meeting, the McKay (Quebec) report states, the matter of distributing the Labrador shares has been studied in the light of taxation difficulties and it does not appear in the best interest to effect distribution at present.

As at June 30, 1942, McKay (Quebec) reports $7,472 cash, $1,297 receivables; and investments at book value of $42,764. Liabilities of less than $1 are shown. For the block of Labrador stock it sold, McKay (Quebec) received $10,750. Total deficit balance for exploration and other expenses is given as $60,967.

The principal asset, the 150,000 Labrador shares, is shown at $3 value. Other holdings include 637,060 shares in Scott Chibougamau, 53,334 shares Descar Corp., 10 shares Borealis Co. (a private company), and 3,435 shares Sentinel Mines.

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Inco's Net Lower First Half 1942

International Nickel's net profit for the six months ended June 30, amounted to $16 millions U. S. funds. This was equal, after preferred dividends, to $1.03 per share. It compares with net profit of $17.3 millions or $1.12 per share in the corresponding period of 1941, and $18 millions or $1.17 per share in the first six months of 1940.

Net profit for the second quarter, 1942, amounted to $7.9 millions, equal to 51 cents a share on the common, compared with $8 millions, or 52 cents a share on the common stock in the second quarter of 1941, and $8.2 millions, or 53 cents a share, in the second quarter of 1940.

Operating profit in the first half of this year amounted to $37.1 millions, down from $38.1 millions in the first half of 1941.

The deduction before net profit for depreciation, amortization, and depletion, which included special provision for amortizing Nickel's $25 millions wartime expansion programme, showed an increase of $2.3 millions over the same charge in the first half of 1941. Total for the first half this year was $6.5 millions; and for the first half of 1941, $4.2 millions.

Provision for income and franchise taxes, including estimates tax liability under legislation pending at June 30, amounting to $13.6 millions.

Surplus at June 30 was $77 millions compared with $75 millions at June 30 last year.

The interim consolidated statement at June 30, in U. S. currency, shows current assets of $115.8 millions. Current liabilities totalled $33.2 millions. Net working capital on June 30, 1942, amounted to $82.7 millions against $83.1 millions on March 31, and $76.9 millions at June 30, 1941.

Income and Surplus Account

	3 Mos. June 30 1942 $	6 Mos. June 30 1942 $	6 Mos. June 30 1941 $
Net op. profit	18,607,417	37,107,412	38,001,328
Add: Other inc.	271,914	525,034	408,343
	18,879,331	37,632,446	38,409,671
Less: Depr. & deplet.	‡3,271,068	‡6,509,759	4,202,801
Retire. system	776,406	1,450,184	1,126,423
Conting. etc.	16,472	42,629	575,425
Inc. & franch. taxes	*6,876,717	*13,621,290	15,189,325
Net profit	7,936,668	16,008,614	17,315,607
Less: Pref. div.	485,475	966,950	966,950
Com. div.	7,289,065	14,578,130	14,578,160
Surp. for period	164,086	463,465	1,860,466
Add: Pr. surp.†	79,313,323	79,013,916	75,747,752
Less: Exch. adj. in susp.	2,461,542	2,461,542	2,461,542
Surp. fwd.	77,015,869	77,015,869	75,056,896

†Before deducting exchange adjustments in consolidation in suspense.
‡Includes provision for special amortization of wartime expansion measures.
*Includes estimate of anticipated tax liability under legislation pending at June 30, 1942.

Earnings per Share and Divd. Record:

Com.:			
Earn.	$0.51	$1.03	$1.12
Paid	0.50	1.00	1.00

Tran. Resources Reduces Loans

Cut Obligations in period of Substantial Improvement

Reduction of outstanding debentures from $600,000 to $289,100, elimination of bank and other loans, and an increase of cash from $4,098 to $128,691, are highlights of two balance sheets of Transcontinental Resources Ltd. One balance sheet is for the period from incorporation of the company on August 6, 1940 to Dec. 31, 1941; the other is an interim statement of the company's affairs as at June 10, 1942, and reflects the changes that have taken place since the first of the year.

The substantial improvement in the company's position was achieved, states President D. M. Hogarth, notwithstanding that the profit and loss statements show considerable losses. Col. Hogarth states that losses were due to the realization of securities acquired by predecessor companies (Oro Plata and T. L. & B. Ltd., a private company) and carried on the books at values in excess of the current market.

Statements of profit and loss which are included in the report, are compared, as follows:

Profit and Loss Statement

	Jan. 1 to June 10 1942 $	Aug. 6 1940, to Dec. 31 1941 $
Interest	340	9,270
Dividends	720	15,444
Rental of buildings	40	269
	1,100	24,983
Less: Admin. & gen. exps.	10,211	35,639
Int. on debs. & loans, inc. amort. deb. disc.	11,196	27,112
Mining claims & exploration exps. w/o	55	10,075
Loss on securities:		
Trading accounts	†20,730	*9,857
Securities liquidated	2,134	40,094
Secs. partly liquidtd.	28,325	6,161
Net loss	71,551	84,241

*Profit. †Loss.

Find Ilmenite, Hunt for Copper

Quebec Prospectors Strike "Smoke-screen" Ore

A number of discoveries of ilmenite, ore of titanium, have been made this year in the Lake Allard and Lake Petit Pas section of Quebec, according to reports, and many parties are out prospecting for copper.

Members of a party that recently returned from Lake Allard say that among the discoveries of ilmenite there is a showing 82 ft. wide, traceable for some distance, and typical of ilmenite previously found in the district which has run to 52% iron and around 36% titanium.

Titanium is used in alloys, in making smokescreens, and in paints. The new area is only a few miles above the St. Lawrence River.

According to reports from Havre-St. Pierre, prospecting parties are giving copper showings there a careful going over.

Parties representing Consolidated Smelters and other interests are reported to be at work in the Forget Lake and Pauline Lake area, where the Quebec Government's Bureau of Mines is continuing the geological work started last year by Dr. J. A. Retty.

Planes of the Quebec Airways are operating from Havre-St. Pierre and there has been no difficulty in securing transportation into the interior. The line also handles the transportation for the Labrador Mining & Exploration Co. from Havre-St. Pierre.

The copper area is about 60 miles north of the St. Lawrence but owing to rapids, water transportation will not likely be possible. The property is along the route of the railroad projected for the Labrador iron fields.

Oil Royalties

Producing Wells — Prices and Payments

	Aug. daily allow. bbls.	July daily allow. bbls.	Apr. pay. 1%	May pay. 1%	June pay. 1%	Paid to June 30 1%	Dealers offering price†
Ace No. 1 gross	543	538	242.98	241.82	241.87	2,930.90	$8,300
Alta. Oil Inc. No. 1 gr.	80	76	53.20	52.40	48.40	3,395.60	1,500
Do., No. 1 net	....	....	44.40	42.00	38.60	3,916.40	1,200
Do., No. 2 gr.	322	518	229.20	232.80	234.80	5,169.60	....
Do., No. 3 gr.	322	518	208.80	213.60	213.60	3,190.60	6,600
Allied No. 1 pfd.	100	100	44.63	42.80	45.84	375.53	1,300
Arrow No. 1 net	75	75	78.80	[illegible]	70.00	2,183.60	1,900
Do., No. 2 net	190	196	76.40	94.00	80.00	1,218.20	2,100
Atlas No. 1 net pfd.	110	120	8.80	35.60	62.40	106.80	1,900
Atlas-Br. D. No. 2 pfd.	676	699	....	54.20	416.00	1,083.60	10,000
D. & D. No. 1 net	75	73	....	38.40	32.40	1,083.40	1,300
East Crest No. 5	135	135	....	....	55.44	253.50	1,800
Independent No. 1 p.	225	235	150.65	148.99	133.92	1,602.79	3,800
Do., No. 2 net	225	235	107.81	107.99	97.78	1,670.99	3,800
Major Oil No. 1 pfd.	121	129	74.00	77.60	61.60	442.00	1,800
Do., No. 1 gr.	121	129	71.60	72.40	60.80	1,315.40	2,100
Do., No. 2 pfd.	604	623	446.80	446.00	376.40	2,434.00	6,500
Do., No. 2 gr.	604	623	334.40	331.20	298.40	4,550.00	9,500
Do., No. 3 pfd.	835	840	....	....	....	....	5,900
Do., No. 3 net	835	840	349.20	334.00	476.80	4,672.40	8,700
Do., No. 4 pfd.	268	304	405.00	386.00	127.60	1,683.60	....
Do., No. 4 gr.	268	304	384.40	325.20	292.40	1,512.80	4,000
Do., No. 5 pfd.	268	304	276.40	248.00	218.80	1,842.80	5,500
Do., No. 6 pfd.	649	....	....	....	....	....	7,500
Do., No. 7 pfd.	[illegible]	....	....	....	....	....	8,800
Do., No. 8 pfd.	[illegible]	....	....	....	....	....	5,700
Do., No. 8 gr.	[illegible]	....	....	....	....	....	7,400
Do., No. 9 pfd.	488	400	....	....	....	....	7,500
Do., No. 9 gr.	488	400	....	....	45.20	25.20	5,300
Miracle No. 1 pfd. net	409	453	456.48	414.82	155.38	4,047.41	4,800
Do., No. 1 gr.	409	453	316.47	306.21	97.76	1,850.51	7,500
Do., No. 2 pfd.	272	280	78.69	239.30	260.91	578.96	3,800
Do., No. 2 gr.	272	280	....	....	196.96	196.96	5,000
Renown No. 1 pfd.	....	....	....	....	46.56	46.56	[illegible]
Twin Valley No. 1 gr.	137	160	73.15	80.10	51.38	1,680.29	[illegible]
Vulcan Brown gr.	105	110	5.60	77.76	27.60	3,760.33	[illegible]
Do., net	100	110	54.43	44.25	23.99	4,479.88	[illegible]
Winalta No. 1 pfd.	93	96	41.66	44.33	41.20	3,300.29	[illegible]

†Approximately 20% below dealer's bid prices usually.

Drilling Wells — Prices and Depths

	Drilling depth	Offering price per 1%
Atlas Br. Dom., No. 3 p	5,823	*$4,375
Bonaventure, pfd.	6,365	3,900
Major Oil, No. 6 pfd.	5,630	5,400
Major Oil, No. 6 gr.	5,630	7,300
Miracle, No. 3 pfd.	5,872	5,000
Miracle No. 3 gr.	5,872	6,300
Northclon., No. 1 pfd.	4,672	4,800
Northclon., No. 1 dfd.	4,672	2,000
Northclon., No. 1 gr.	4,672	6,300
Northend, No. 1 pfd.	7,542	4,700
Northend, No. 1 gr.	7,542	5,600
Northend, No. 2 pfd.	5,474	4,500
Northend, No. 2 gr.	5,474	5,400
Northend, No. 3 pfd.	8,349	4,800
Northend, No. 3 gr.	8,349	6,300
New Ranchmen's, pfd.	360	*3,200
Empire, pfd. (Ont.)†	....	*1,100
Hi-Test Pete., pfd.†	....	*3,600

*Pegged price. †Acreage royalty.

The Week In Oils

Finance Minister J. L. Ilsley informed the House of Commons during debate on the proposed change in method of Royalty Taxation that under no circumstances would the tax payable by the trustee exceed 40% of net revenue, after allowances for depreciation, depletion and amortization of well costs. In other words, corporation levies would be payable, but the excess profits tax would not be applied.

The enabling amendment to the War Income Tax Act, however, makes no reference to a limitation to 40%.

This is what the Deputy Minister of Finance, Dr. W. C. Clark, has written the Alberta Petroleum Association in regard to this oversight: "I regret to say that inadvertently legislative effect was not given to the undertaking of the Minister given in the House of Commons that in no case would the tax on such companies exceed 40%. Retroactive legislation will be enacted at the next session of Parliament to attain this end, and, in the meantime the law will be administered according to the Minister's undertaking."

The legislation makes no reference to types of royalties. Trustees are assuming that gross royalties (of which many are in the hands of the public) will still be regarded as a charge against company operation. On this basis, the only tax payable on this type of royalty would be, as in the past, the income tax paid by the individual royalty owner.

* * *

Oil Production Up

If the oil production and revenue from Alberta during the final half of 1942 equals the returns during the first six months, the full year will show a record-breaking 10.2 million bbls., with revenue of $15.8 millions.

During 1936 (when Turner Valley crude oil area development got under way) production was 1.3 million bbls., with revenue of $2.9 millions. This increased in 1941 to 9.9 million bbls., with revenue of $13.8.

Returns for the first six months of the present year, just announced by the Conservation Board, reveal that from January to June inclusive, Alberta oil production amounted to 5.1 millions bbls, with a revenue return of $7.9 millions. The oil output showed a gain of 368,967 bbls. over the first half of 1941 and 1.6 million bbls. over first half of 1940. The revenue gain was $1.8 millions over the first half of 1941 and $3.7 millions over the first half of 1940.

* * *

Joint Enterprise

Anglo Canadian Oil Co. and the Home Oil Co., two of the leading independent operators, have joined forces to test possibilities of Walton Creek, a foothills structure 70 miles northwest of Calgary and some 17 miles west of Sundre. Each company will share equally in development costs and in any returns from production that may be obtained.

Location for the initial test-well, Walton Creek No. 1, has been staked five miles west of the old Petroleum Structures No. 1 test well. A road exists as far west as this old well, and Anglo and Home are extending this to the Walton Creek well-site. It is expected that rotary drilling equipment can be moved in to the well-site soon.

It is understood that Anglo and Home jointly hold more than 22,000 acres dominating the Walton Creek structure. The Dominion Geological Survey party headed by H. H. Beach mapped the area during the last two years. More detailed structural work and geological interpretation was done by J. B. Webb, geologist for Anglo Canadian. His interpretations were confirmed by J. O. G. Sanderson, consulting geologist.

Mr. Webb's report indicates that the initial drill-test is about one-half mile southwest of the structural axis, with the limestone possible at around 7,500 feet in depth. Confirming report by Mr. Sanderson places the Madison estimate at 8,000 feet. Surface elevation of the site is about 4,450 feet. The lime may thus be found at -3,050 to -3,550 feet.

* * *

Standard Oil of B. C.

Standard Oil of British Columbia has staked its second well-site in the Taber area, quarter of a mile east and slightly north of the "discovery producer," Standard-Nassau Taber-Province No. 1.

The second Taber area well will be known as Standard of B.C.—Taber 76-17B. The unusual name initiates a new numbering system based on a decision by Standard to drill the Taber field on a 10-acre spacing programme. Under the system, the well-number provides the exact location, in the centre of one of the 64 ten-acre plots in each section.

Standard's numbering will be of interest to other operators at Taber, Vermilion and areas where the 10-acre spacing programme is likely to be the rule. This is how it works. Letter A has been assigned Township 9-17w4th, and the Letter B indicates Township 9-16w4th. Figures immediately preceding the letter in the well-name designate the section number. The particular 10-acre plot within the section is designated by the two-figure number preceding the section number. The first figure represents the number of 10 acres plots west from the southeast corner of the section. The second number represents the number of 10-acre plots north of that. With Taber 76-17B, the B indicates Township 9-16w4th; 17 section 17 of that Township; 76 that the site is seven 10-acre plots west of the southeast corner of Section 17 and six 10-acre plots north, that is, in the northeast corner of Legal Subdivision 12.

* * *

"Maralgo Mines" principal interest is now the investment it has in South American gold areas. It's San Bento mine in Brazil is nearing production according to the annual report. Difficulties in getting supplies to the Sao Bento are being overcome, and arrangements are being made for sufficient power.

The company's balance shows $2,144 cash, $451 in receivables, $322,173 in shares of companies at book value, and $3,000 in bonds. Liabilities were $250.

Stand on Synthetic Rubber

(Continued from page 9)

ment by Dow Chemical Co. and rivals neoprene for early developments. This is the synthetic that has received a lot of publicity recently through its advocacy as a retreading medium for passenger car tires, using a newly developed type of thiokol, claimed by the Dow Chemical Co. to give good service and to be readily applicable to natural rubber tire carcasses.

Other types of synthetic mentioned include Hycar, Ameripol and Chemigum. All are of the Buna type and have received a considerable amount of experimental work.

Other Lines

Goodyear claims that its Chemigum can be compounded to exceed natural rubber, is withstanding wear and abrasion or the disintegrating action of oil and gasoline. It is claimed to excel natural rubber in resisting oxidation and can be compounded so that it remains flexible at sub-zero temperatures. It has admitted disadvantages, being less elastic than rubber, tending to lose some of its toughness at high temperatures, being more difficult to process and more costly.

Ameripol is another Buna-type synthetic rubber developed by B. F. Goodrich Co. It has been tested, particularly in automobile tires, with what is claimed to be good success. Users tell Goodrich that their experience with tires of Ameripol and natural rubber—approximately 50% of each—indicated performance about equivalent to that of natural rubber tires.

Technical men claim that the term "synthetic rubber" is a misnomer. No process has yet been devised for duplicating both the chemical and physical characteristics of natural rubber, an exceedingly complex substance. To produce it requires polymerization, or the building up somewhat like a chain joined by its separate links of individual molecules into much larger molecules.

Basic molecule of rubber is isoprene, a hydrocarbon molecule with the chemical name of methyl butadiene. Attempts to duplicate the chemical composition of rubber failed to produce its chief physical properties.

Must Duplicate Physical

Since the chief practical value of rubber lies in its physical properties rather than its chemical characteristics, emphasis has turned toward duplication of these physical properties. Actually, therefore, the so-called synthetic rubbers are materials with rubber-like characteristics, a fact which helps to explain why there are so many different varieties of synthetic rubber being considered in the effort to find suitable substitutes for the natural product.

Likewise, a number of raw materials can be utilized to produce the various types of synthetic rubbers, including coal, petroleum, natural gas and petroleum alcohol. From these and other materials not so abundantly available, research has revealed that butadiene, a gaseous hydrocarbon, can be derived by a variety of chemical processes and that it can be polymerized directly to form a product resembling rubber.

Natural rubber, useful as it is, has certain limitations. It is subject to oxidation, deteriorates from exposure to strong sunlight, is affected by heat, the action of many chemicals or petroleum products.

For specific purposes synthetic rubbers have been developed that surpass the natural product. But they are more costly—or at least have been to date—and could not normally compete with natural rubber, at least for making tires which use about three fourths of the rubber manufactured.

After the War

Hon. C. D. Howe told Canadians the other day that after the war we would be entirely or almost independent of natural rubber. Whether or not the sweeping prediction will prove correct in any event it can be accepted that synthetic rubbers will play a much more important part in the postwar world than they did prior to Dec., 1941. Rubber manufacturers do not go so far as to suggest that we would voluntarily want to get along without natural rubber again. It still appears to be the best all-round material for its variety of uses and can be produced at a cost which synthetics may find it difficult to meet.

But development and research is being spurred as never before. Upward of a billion dollars is to be spent by Canada and the United States in constructing plants to produce about 850,000 tons of synthetic rubber annually, more than total prewar consumption of crude rubber. This investment is unlikely to be scrapped after the war. A far more likely event is that technical developments will be continuous; methods will be greatly improved; and costs and physical properties of the various synthetics will be brought more closely to a competing level.

How The Draft Machinery Works

(Continued from page 9)

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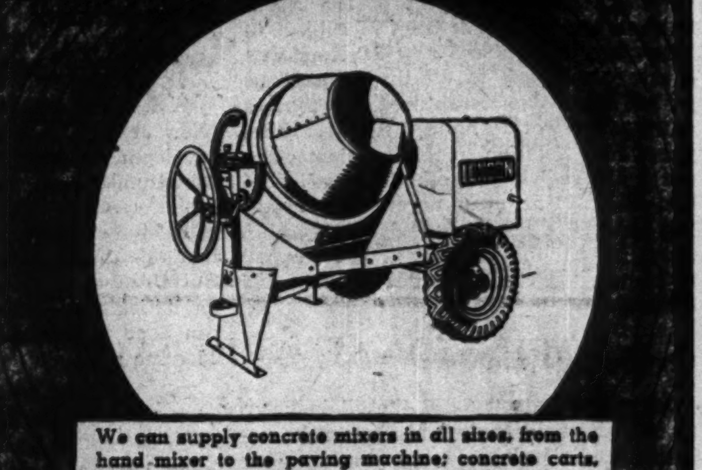
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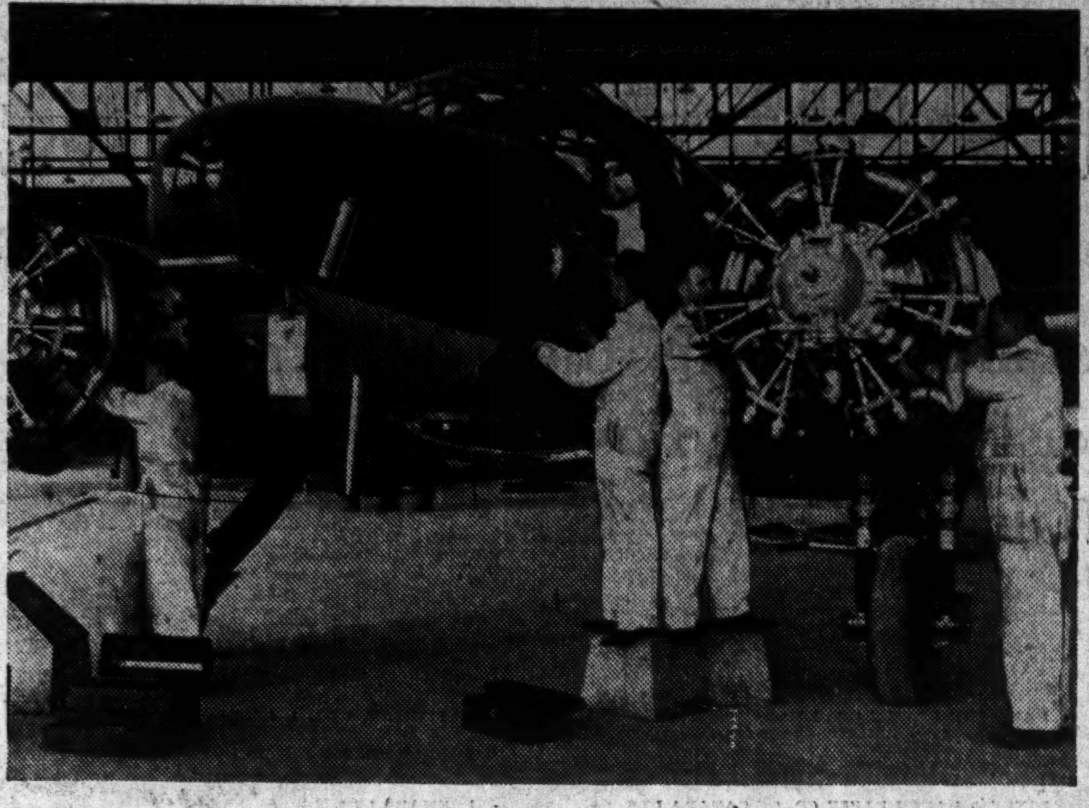
Magnesium Production Begins

Lightest Metal May Parallel Aluminum

By FRASER F. MARTIN



Manufacture of aircraft and incendiary bombs are the major outlets for magnesium in wartime. Canadian production of this super light metal starts this month.

Production of magnesium, lightest of the lightweight metals, is scheduled to begin in Canada this month. Formerly largely known as a flash powder for indoor press photography, it is now a war essential. It is needed for light alloys used in aircraft construction, for incendiary bombs, for shells, signal flares, motor parts and tracer bullets.

Financed by Government

It is needed so badly, in fact, that the plant that starts operations this month, Dominion Magnesiums Ltd., located near Renfrew, Ont., has been financed by the government.

The process to be used is one developed by Dr. Lloyd Pidgeon in conjunction with the National Research Laboratory.

Prime movers in the project were three of Canada's mining companies—Bobjo, Ventures and Moneta Porcupine.

The plant—originally estimated to cost $2,675,000—will be owned by the government and operated during the war by Dominion Magnesium. It may be the fore-runner of a new Canadian industry in time of peace.

Many an architect, for instance, believes that light alloys of such metals as aluminum and magnesium hold the highest promise for massive construction (i.e. big buildings, factories, skyscrapers—wherever reinforced concrete construction is employed), and that magnesium, one third lighter than aluminum and one quarter the weight of steel, may rank alongside aluminum. Magnesium has long been used as an alloying element; since the war it has become widely accepted as a valuable structural material by itself. But though the advance of magnesium metallurgy has been impressive, there is considerable research work yet to be done—new uses to be found.

Experts say that the increased tonnage of production and wider use of the metal will mean further price reductions. Magnesium at one time sold for $5 a pound: it is now selling for around 22½ cents in the United States and 30 to 32 cents a pound in Canada and Britain. A lower price for the metal, plus mass production, may bring aircraft within the pocketbook of the common man. New light cars, with low fuel consumption, are a further real possibility, as are a score of articles hitherto made of heavier metals.

Most important development at the present time in so far as production of magnesium in commercial quantities is concerned, is the matter of rendering efficient the new processes evolved in the various government and research laboratories throughout the country. The Pidgeon process is for extracting metallic magnesium from dolomite, a crystalline-lime rock which abounds in Canada. Residue may prove ample in chemical fertilizer.

Aside from dolomite, other magnesium-bearing rocks such as brucite and magnesite can be used in this new extraction method. The chief reagent used in the Pidgeon process is ferro-silicon which is made in the electric furnace, using scrap iron and quartzite. Ordinarily the ferro-silicon could be made using cheap off-peak electric power, but due to the present power shortage its cost is somewhat higher.

Less Electricity Used

The great advantage of the ferro-silicon process is that it uses a minimum of electric power per ton of magnesium produced, even when including that required for the manufacture of ferro-silicon. Electrical energy for the production of magnesium, it is believed, will run lower on a unit basis than the amount used for turning out aluminum.

In the United States, where the electrolytic process is more commonly used, extraction of the metal requires large quantities of power. It is estimated that power used in that country in the various magnesium production processes will range from around 20,000 kilowatt hours to more than 30,000 for each ton of metal produced. Wider use of the metal after the war and increased tonnage of production would require increased supplies of power, but with the country blessed as it is with numerous favorable power sites the matter of producing new sources of energy offer no insurmountable handicap.

The Dominion Magnesium plant at Renfrew will turn out metallic magnesium at the rate of 10 tons per day from the treatment of, roughly, 100 tons of dolomite rock.

Pidgeon Process

The Pidgeon process—the government has the right to use it anywhere in Canada during the war—is a direct reduction process which produces the metal via the "retort" method at unusually low temperatures. Months of testing by means of a 2-ton plant at Ottawa were required to perfect it. Now being extensively adopted in the United States, the method involves the direct reduction of calcined dolomite with ferro-silicon. The dolomite is calcined, pulverized, and mixed with ferro-silicon that has been ground to suitable fineness. The mixture is briquetted and charged to externally heated retorts operated under a vacuum. In the reduction process, the silicon combines with the calcium oxide and the magnesium comes off as a vapor which is passed into a water-cooled condenser and then removed as a ring of pure, solid metal. Capital costs are relatively low. Developments are introduced that were not previously used in commercial production on this continent.

Two Plants Planned

Another plant, using a high frequency induction process called the English Blackwell-Turner process, is planned in Canada, with common serpentine rock to be used for production of magnesium. In this process the magnesium oxide is separated first from the silica. Iron is added to the silica to produce ferro-silicon, which in turn is used for the reduction of the magnesium oxide to magnesium metal. A very high ferro-silicon is produced as a by-product.

Consolidated Smelters, in conjunction with a United States concern, evolved another magnesium recovery process but it was prevented from erecting a plant by lack of power. The company is proceeding, however, at the request of the government, with a new hydro-electric plant, the first two units of which are expected to be ready within two years. Meanwhile, Smelters is continuing experimental work on its process in preparation for production when power is available.

Canada Supplies Peat

Canada has also assumed another important role in so far as the manufacture of magnesium is concerned in the United States. Practically all of that country's import of peat moss, which is used as a refining agent for magnesium, is currently being supplied by Canada. One of the principal producers of magnesium, the Basic Magnesium Corporation of Nevada, will require from 700,000 to a million bales of sphagnum peat moss per year. A large deposit of peat moss being operated by B. C. Peat Company in British Columbia has been found to meet the required standard of the Nevada concern.

Although there has been no announcement, indications have been that the United States government will make an installation of the Pidgeon process along with or in place of the ferro-silicon process setup at a new plant near Spokane, Washington. Another large company, Permanents Metals Corporation has the Hansgirg process which is electrothermal with shock cooling through retorts. This shock cooling is done by oil spray. Permanents Metals is expanding to employ the Pidgeon ferro-silicon method, and a new plant is reported being built inland in northern California.

Magnesium was produced in Canada during the first World War by Shawinigan Chemicals Ltd. Small amounts of the metal were used in aircraft but during peacetime there was no commercial production and it was used very little in Canada. The problem that has confronted Canada has not been one of scarcity but one of technical and scientific developments, now being overcome.

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Quebec Gold Production Hits New Peak for Period

In contrast with Ontario's gold production in the first six months of 1942, the output in Quebec set an all-time high for this period. Output of silver and lime also set new records.

Ontario's gold output of 1,397,481 oz. valued at $53,896,532, was off 11.43% as compared with production in the first six months of 1941.

The Quebec output as reported by the Provincial Bureau was 573,966 oz. with a value of $22,097,691, an increase of 7.62% over last year's first six months' production which was 533,323 oz. with a value of $20,532,-935.

Silver output has been higher also in Quebec so far this year—up 1%. The drop in gold output in Ontario was accompanied by a 16.27% decrease in silver.

Two new mines recently came into production in Quebec: West Malartic Mines Ltd. in Cadillac twp., and MicMac Mines Ltd., in Bousquet twp.

West Malartic's 300-ton mill started on May 11, the first shipment of gold was made before the end of that month, and the total output for the new mine to June 30, according to the report, was 7,456 oz. recovered from 27,025 tons of ore milled. This had a value of $287,056.

From MicMac's 500-ton mill, which started June 20, small shipments of copper concentrates were made in June to the Noranda smelter. Gold output was unreported.

Noranda Mines output of gold in the first 6 months was valued at $5,190,300, according to the Quebec Bureau of Mines report. In the corresponding period of 1941 gold worth $4,957,106 was produced.

Changed Contract For Base Metals

A new contract for the sale of lead and zinc concentrates will permit the handling of somewhat lower grade ores at the property of Base Metals Mining Corporation Ltd., at Field, B.C., it is reported in an interim statement by President J. H. C. Waite. As a result, operations may continue for some months longer than previously estimated.

During the second quarter, production at the Field property continued at capacity. Estimated operating profit was $45,537 compared with $54,518 during the first quarter.

Surface work was begun on the Hawk Creek property in Kootenay National Park.

Normetal Mining Corp. showed a substantial increase in operating profits during the second quarter. Earnings amounted to $243,539 before taxes and write-offs as compared with $197,067 in the first quarter this year. The bank loan at the end of June stood at $110,000, down from $135,000 three months earlier. Operations were described by Mr. Waite as normal during the period.

Jerome Gold Mines Ltd., Opeepeesway Lake producer, also increased its operating profit in the three months ended June 30, earning $92,957, before taxes and write offs, compared with $61,245 in the first three months.

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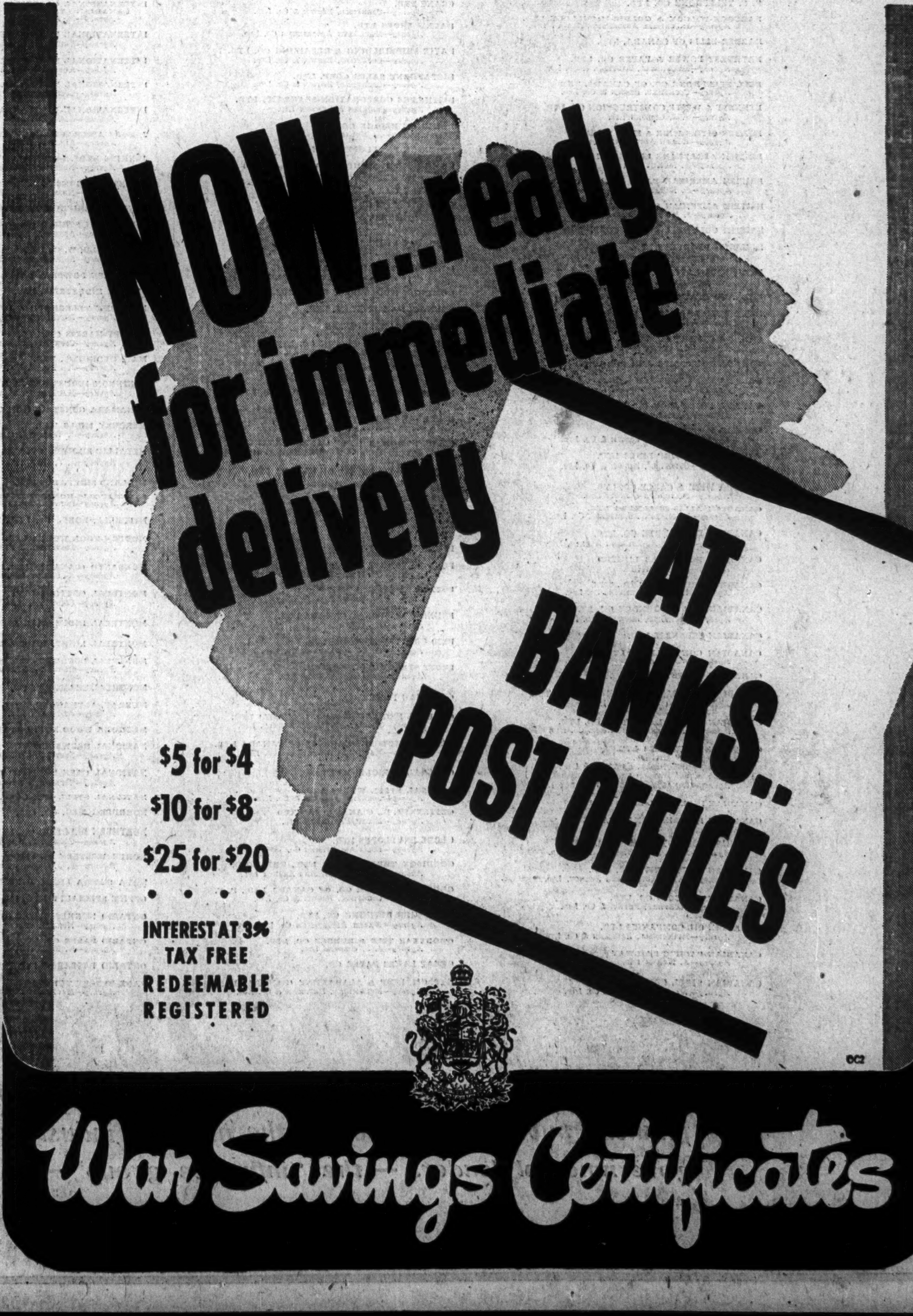

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DOMINION WOOLLENS & WORSTEDS LTD.

DONNACONA PAPER CO. LTD.

DORR COMPANY, INC. THE

DRUMMONDVILLE COTTON CO. LTD.
Agency—Cockfield, Brown & Co. Ltd.

DUNHAM CO. LTD., C. A.
Agency—Stevenson & Scott Ltd.

DUNLOP TIRE AND RUBBER GOODS CO. LTD.
Agency—Vickers & Benson Ltd.

E. B. EDDY CO. LTD., THE
Agency—J. J. Gibbons Ltd.

EDISON, THOMAS A., OF CANADA, LTD.
Agency—Ronalds Advertising Agency Ltd.

ENGLISH ELECTRIC CO. OF CANADA LTD.
Agency—Ferres Advertising Service

FAIRCHILD AIRCRAFT LTD.

FAMOUS PLAYERS CAN. CORP. LTD.

FEDERAL GRAIN CO.

FLEET AIRCRAFT LTD.

FORD MOTOR CO. OF CANADA LTD.
Agency—Cockfield, Brown & Co. Ltd.

FOSTER WHEELER LIMITED
Agency—A. McKim Ltd.

FOUNDATION CO. OF CANADA LTD.
Agency—A. McKim Ltd.

FRID CONSTRUCTION CO. LTD.
Agency—Locke Johnson & Co. Ltd.

FROST STEEL & WIRE CO. LTD.
Agency—Russell T. Kelley Ltd.

GATINEAU POWER CO.

GENERAL ENGINEERING CO. (CANADA) LTD.
Agency—Tandy Advertising Agency, Ltd.

GENERAL MOTORS PRODUCTS OF CANADA LTD.
Agency—MacLaren Advertising Co. Ltd.

GENERAL PETROLEUMS LTD.

GENERAL STEEL WARES LTD.
Agency—Cockfield, Brown & Co. Ltd.

GESTETNER, D., (CANADA) LIMITED
Agency—Norris-Patterson Ltd.

GLOBE ENVELOPES LTD.
Agency—Ellis Advertising Co.

GOODISON THRESHER CO. LTD., THE, JOHN
Agency—Ardiel Advertising Agency Ltd.

GOODRICH RUBBER CO. OF CANADA LTD., B. F.
Agency—Cockfield, Brown & Co. Ltd.

GOOD RICH REFINING CO. LTD.
Agency—Walsh Advertising Co. Ltd.

GOODYEAR TIRE & RUBBER CO. LTD.
Agency—J. J. Gibbons Ltd.

GREAT LAKES PAPER CO.

GYPSUM, LIME & ALABASTINE (CANADA) LTD.
Agency—McConnell, Eastman & Co. Ltd.

HAMILTON BRIDGE CO., LTD.
Agency—Russell T. Kelley Ltd.

HARTWELL BROS. LTD.

HINDE & DAUCH PAPER CO. OF CANADA LTD.
Agency—Howard Swink Advertising Agency

HOLDEN LIMITED, S. S.

HORTON STEEL WORKS LTD.

HUDSON BAY MINING AND SMELTING CO. LTD.

HULL STEEL FOUNDRIES LTD.
Agency—Stanfield & Blaikie Ltd.

HYDRO-ELECTRIC POWER COMMISSION OF ONTARIO
Agency—J. J. Gibbons Ltd.

IMPERIAL OIL LTD.
Agency—Cockfield, Brown & Co. Ltd.

IMPERIAL TOBACCO SALES CO. OF CANADA, LTD.
Agency—A. McKim Ltd.

INDUSTRIAL ACCEPTANCE CORP. LTD.
Agency—Ronalds Advertising Agency Ltd.

INTERLAKE TISSUE MILLS LTD.
Agency—A. McKim Ltd.

INTERNATIONAL BUSINESS MACHINES CO. LTD.
Agency—Thornton Purkis

INTERNATIONAL CORRESPONDENCE SCHOOLS CANADIAN LTD.
Agency—A. McKim Ltd.

INTERNATIONAL FIBRE BOARD LTD.
Agency—Young & Rubicam Ltd.

INTERNATIONAL HARVESTER CO. OF CANADA LTD.
Agency—Aubrey, Moore & Wallace Inc.

INTERNATIONAL NICKEL CO. OF CANADA LTD.
Agency—Cockfield, Brown & Co. Ltd.

INTERNATIONAL PAINTS (CANADA) LTD.
Agency—A. McKim Ltd.

JACOBS AIRCRAFT ENGINE CO.
Agency—Alan P. Lyster Advertising

JENKINS BROS. LIMITED
Agency—Norris-Patterson Ltd.

KENNEDY & SONS LTD., THE WM.
Agency—Norris-Patterson Ltd.

KINGSTON SHIPBUILDING CO. LTD.

LIVINGSTON STOKER CO. LTD.
Agency—Ardiel Advertising Agency Ltd.

MACDONALD, W. C., INC.
Agency—Richardson-MacDonald Adv. Service Ltd.

MACLAREN POWER & PAPER CO.

MARINE INDUSTRIES, LTD.

MARITIME TELEGRAPH & TELEPHONE CO. LTD.
Agency—Imperial Publishing Co.

MASSEY-HARRIS CO. LTD.
Agency—Cockfield, Brown & Co. Ltd.

MAY, GEORGE S., LTD.
Agency—Jim Duffy, Inc.

McKINNON INDUSTRIES LTD.
Agency—MacLaren Advertising Co. Ltd.

McNAMARA CONSTRUCTION CO. LTD.

MERCURY MILLS LTD.
Agency—J. Walter Thompson Co. Ltd.

METALLIC ROOFING CO. LTD.
Agency—J. J. Gibbons Ltd.

MIDLAND SHIPYARDS LTD.

MINNEAPOLIS-HONEYWELL REGULATOR CO. LTD.
Agency—Ronalds Advertising Agency Ltd.

MITCHELL, ROBT., CO. LTD., THE

MODERN TOOL WORKS LTD.
Agency—Stevenson & Scott Ltd.

MONSANTO (CANADA) LTD.
Agency—A. McKim Ltd.

MONTREAL COTTONS LTD.
Agency—Cockfield, Brown & Co. Ltd.

MONTREAL INDUSTRIAL & ECONOMIC BUREAU

MONTREAL LIGHT, HEAT & POWER CONSOL.

MONTREAL LOCOMOTIVE WORKS LTD.
Agency—Kenyon & Eckhart Ltd.

MONTREAL TRAMWAYS CO.

MURRAY, ALEXANDER, & CO. LTD.
Agency—A. McKim Ltd.

MUSKOKA WOOD MFG. CO., THE

NATIONAL BREWERIES LTD.
Agency—Stevenson & Scott Ltd.

NATIONAL CASH REGISTER CO. OF CANADA LTD.
Agency—Vickers & Benson Ltd.

NATIONAL STEEL CAR CORP. LTD.

NORDBERG MFG. CO. INC.

NORTHERN ELECTRIC CO. LTD.
Agency—Cockfield, Brown & Co. Ltd.

NORTH WESTERN UTILITIES LTD.
Agency—J. J. Gibbons Ltd.

NOVA SCOTIA LIGHT & POWER CO. LTD.

OFFICE SPECIALTY MFG. CO. LTD.

ONTARIO HUGHES-OWENS CO. LTD.
Agency—Norris-Patterson Ltd.

ONTARIO PAPER CO. LTD.
Agency—A. McKim Ltd.

ONTARIO RESEARCH FOUNDATION

PAGE-HERSEY TUBES LTD.
Agency—MacLaren Advertising Co. Ltd.

PATTINSON, GEO. & CO. LTD.

PEDLAR PEOPLE LIMITED
Agency—Norris-Patterson Ltd.

PENMANS LTD.
Agency—McConnell, Eastman & Co. Ltd.

PHILLIPS ELECTRICAL WORKS LTD.

PIGOTT CONSTRUCTION CO. LTD.

PLESSISVILLE FOUNDRY CO. LTD.

PORT ARTHUR SHIPBUILDING CO. LTD.

PRICE BROS. & CO. LTD.

PROVINCIAL PAPER LTD.
Agency—Ronalds Advertising Agency Ltd.

PROVINCIAL TRANSPORT CO.
Agency—Stevenson & Scott Ltd.

PULP & PAPER INDUSTRY OF CANADA
Agency—Cockfield, Brown & Co. Ltd.

QUEBEC POWER CO.

RELIANCE GRAIN CO. LTD.

REMINGTON RAND LTD.
Agency—Lessford Advertising Agency

RENFREW ELECTRIC & REFRIGERATOR CO. LTD.

RENFREW TEXTILES LTD.

JAMES RICHARDSON & SONS
Agency—Cockfield, Brown & Co. Ltd.

ROBINSON, W. & SON CONVERTERS LTD.

ROLLAND PAPER CO. LTD.
Agency—Cockfield, Brown & Co. Ltd.

ROYAL TYPEWRITER CO. LTD.
Agency—A. McKim Ltd.

RUSSELL CONSTRUCTION CO. LTD.

SEARLE GRAIN CO.

SHAWINIGAN WATER & POWER CO. LTD.

SHERWIN-WILLIAMS CO. OF CANADA LTD.
Agency—J. J. Gibbons Ltd.

SILVERWOOD DAIRIES LTD.
Agency—McConnell, Eastman & Co. Ltd.

SIMON, H., & SONS
Agency—Ronalds Advertising Agency Ltd.

SMITH, L. C., & CORONA TYPEWRITERS OF CAN. LTD.
Agency—The F. H. Hayhurst Co. Ltd.

SOCONY-VACUUM OIL CO.
Agency—Cockfield, Brown & Co. Ltd.

SOMERVILLE LTD.
Agency—Walsh Advertising Co. Ltd.

SOREL STEEL FOUNDRIES LIMITED
Agency—The F. H. Hayhurst Co. Ltd.

STANDARD TUBE CO. LTD.
Agency—Russell T. Kelley Ltd.

STEEL CO. OF CANADA LTD.
Agency—Cockfield, Brown & Co. Ltd.
Agency—Ardiel Advertising Agency Ltd.

STOKES RUBBER CO. LTD., JOSEPH
Agency—Industrial Advertising Agency Ltd.

STURGEONS LIMITED
Agency—A. J. Denne & Co. Ltd.

STURTEVANT CO. OF CANADA LTD., B. F.
Agency—Norris-Patterson Ltd.

SULLY BRASS FOUNDRY LTD.

SUTTON-HORSLEY CO. LTD.
Agency—Stevenson & Scott Ltd.

TALLMAN BRONZE CO. LTD., A. H.
Agency—Ardiel Advertising Agency Ltd.

THOMPSON PRODUCTS LTD.
Agency—MacLaren Advertising Co. Ltd.

THORP-HAMBROCK CO. LTD.
Agency—Cockfield, Brown & Co. Ltd.

TIMMS CONSTRUCTION CO. LTD., R.

TORONTO ELEVATORS LTD.

TORONTO ENVELOPE CO. LTD.

TORONTO IRON WORKS LTD.
Agency—Norris-Patterson Ltd.

TORONTO TRANSPORTATION COMMISSION
Agency—J. J. Gibbons Ltd.

TRANS-CANADA AIR LINES
Agency—Vickers & Benson Ltd.

TRANS-CANADA TELEPHONE SYSTEM
Agency—A. McKim Ltd.

TRUSCON STEEL CO. OF CANADA LTD.
Agency—Walsh Advertising Co. Ltd.

TUCKETT TOBACCO CO. LTD., THE
Agency—MacLaren Advertising Co. Ltd.

UNDERWOOD ELLIOTT FISHER LTD.
Agency—J. J. Gibbons Ltd.

UNION GAS CO. OF CANADA LTD.
Agency—A. McKim Ltd.

UNITED STEEL CORP. LTD.
Agency—Richardson-MacDonald Adv. Service Ltd.

WARNOCK & CO., CHAS.
Agency—Stanfield & Blaikie Ltd.

WESTON LTD., GEO.
Agency—Richardson-MacDonald Adv. Service Ltd.

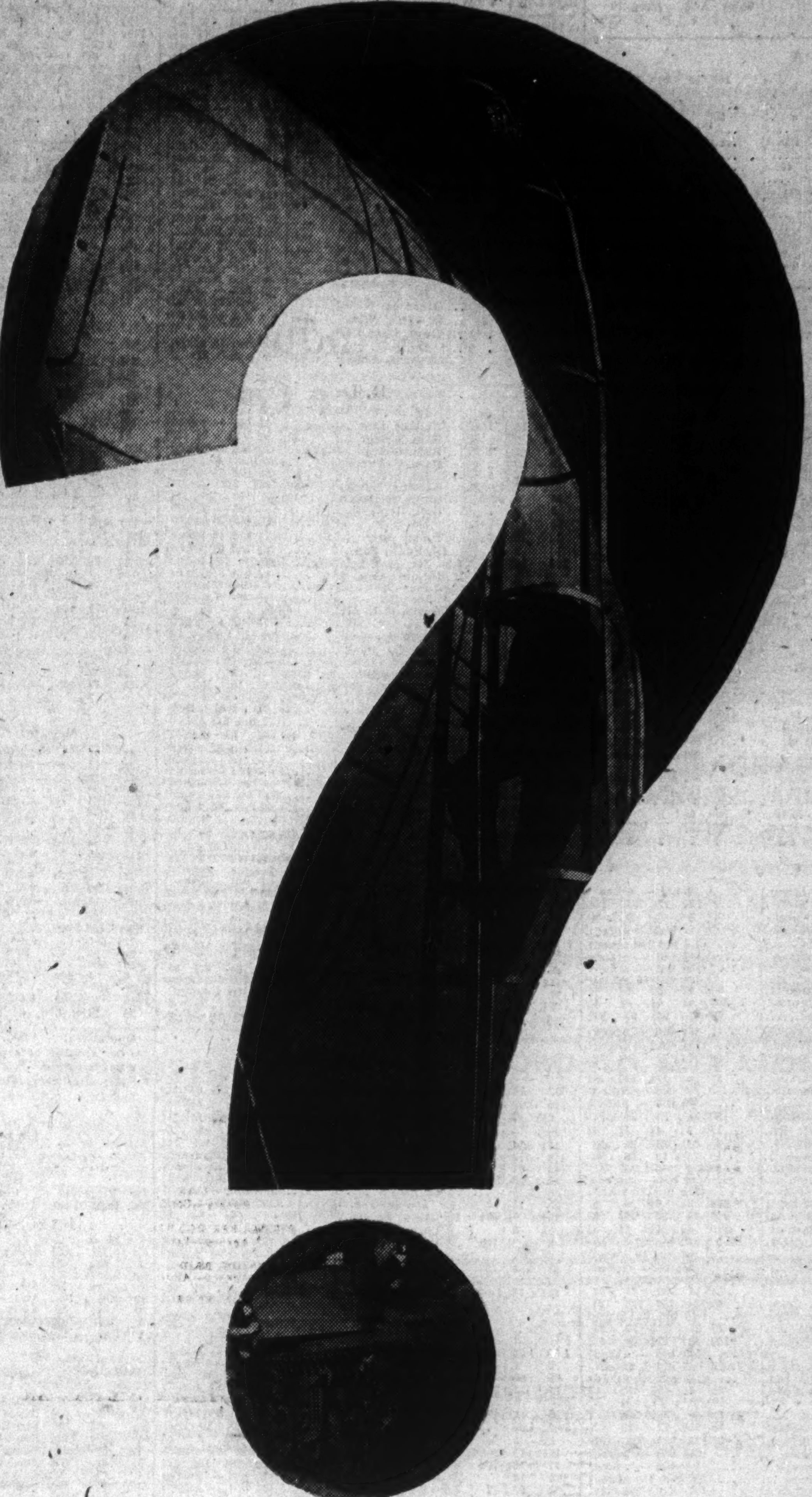
WHITE PINE BUREAU

YATES CONSTRUCTION CO. LTD.

ZELLERS LTD.

ZEPHYR LOOMS & TEXTILES CO. LTD.

The Financial Post has the largest paid circulation of any Canadian business or financial publication—reaching the nation's industrial, business, community and governmental leaders — the "influence group" — in the paper they read best



How Should We Advertise Today

Speaking at the recent National Industrial Advertisers Association Convention, R. O. Eastman of the Research Organization of that name said: "Our research surveys recently conducted about advertising have revealed two things:

"FIRST — Business men are much more interested in advertising today . . . You do not have to 'dress up' an advertisement for it to be read, if the advertisement contributes to the reader's needs. HE WANTS TO KNOW.

"SECOND — There is much greater 'psychological receptivity' to your advertising story today. The pendulum of criticism of business of pre-war days has swung to an earnest and anxious hope that industry can produce the products of victory."

WITH the business man anxious to know, and the public keyed up to respond, how then does business or industry advertise? The following methods are expressions of current campaigns:

In the Business Press:

(a) Tell the reader what you can continue to sell him or why you must ask his indulgence.

(b) Tell how your products, which he presently has, can be kept better maintained to last longer.

(c) Tell how your sales staff is now functioning as service engineers to meet his today's needs.

(d) Give news of interest to the reader as it concerns him and affecting your products or the industry.

(e) Tell of your co-operation with government and national policies or campaigns — associating yourselves with national or community or patriotic drives.

In Media for Institutional Advertising:

(a) Tell the story of your company's and your employees' part in production for victory.

(b) Tell how you are meeting business and national needs; of your part in research.

(c) Keep your brand name or trade mark "alive and acceptable". It is your company's and your employees' safeguard for the future and in the nation's best interests for the long tomorrow.

(d) Use your advertising space to build confidence or to inspire.

(e) Reaffirm the meaning of Canadianism, the greatness of our heritage, the courage of our people, the shining light of our destiny and future if we dare make it so.

Nobody knows as much about your business as you do—and who else but you will tell the story!

The public can only understand what you reveal about your company. To be great is to be understood. The Financial Post is the Nation's First Choice for your product, institutional or "sustaining advertising" message. It reaches the nation's INFLUENCE GROUP. Ask your advertising agency.

5th ON THE AMERICAN CONTINENT*

In 1941 The Financial Post ranked fifth among all weekly publications (not including metropolitan week-end papers) on the American continent in volume of advertising linage carried.

Following is the standing and linage figures of the leaders:

1. Saturday Evening Post	1,946,949
2. Life	1,923,968
3. Colliers	1,248,927
4. Time	1,208,064
5. THE FINANCIAL POST	1,021,871
6. New Yorker	956,615
7. Saturday Night	856,281
8. Business Week	828,699
9. Newsweek	683,530

*Now fourth—first six months of 1942.

THE FINANCIAL POST

481 University Avenue, Toronto Member Audit Bureau of Circulations **Dominion Square Bldg., Montreal**

THE WEEK'S QUOTATIONS

Toronto and Montreal Exchanges

The following table is confined to official prices for listed stocks, including curb market quotations. Where no transaction is recorded, bid and asked prices are given. For unlisted stocks, quotations by unlisted dealers are published. The Financial Post cannot accept any responsibility for such quotations.

WEEK ENDING AUGUST 10

Mining Stocks

Week Ending August 10

Oil Stocks

Vancouver Stocks

Oil Quotations

* Quotations for 1941; † 1940.

Winnipeg Stocks

(Transactions from July 31 to Aug. 8)

	Sales	High for period	Low for period	Close Aug. 7
Beaver Lumber, c.	200	3.50	3.50	3.50
Great Falls M. & S.	1,000	.01	.01	.01
Traders Bldg.	10	44.00	44.00	44.00
United Grain	10	12.50	12.50	12.50

Stocks Not Traded In During Week*

	Bid	Asked		Bid	Asked
Beav. Lumber, p	100	..	Nor. C. Mtg. un.	5½	..
Can. Indemnity	150	..	Nor. Mtg. pt. pd.	.75	..
Cres. Cream., p.	10	15	Nor. Trusts	6	..
Dom. Envel., c.	..	8½	Traders Bldg.	44	..
Dom. Envel., p.	..	90	West. Brew.	2	2¼
Fed. Grain, c.	.35	1¼	West. Grain, p.	..	7
Grouped Inc.	..	4¼	West. Steel	7	8½
Home Invest.	27½				

*Stocks more active on other exchanges not included.

Volume of Stock Sales

	Montreal Markets Indust.	Montreal Markets Mines	Toronto Markets Ind. & Mines	Vancouver Markets Ind. & Mines
Aug. 11	5,500	4,800	120,000	......
Aug. 10	6,500	2,700	70,000	25,500
Aug. 8	3,000	1,300	27,000	11,040
Aug. 7	3,700	3,500	64,000	25,270
Aug. 6	5,000	4,000	92,000	9,842
Aug. 5	[illegible]	3,000	51,000	2,155

Government Bonds

(Supplied by Investment Dealers' Assoc. of Canada)

Unlisted Stocks

(Furnished by Plaxton, Cherry & McDonnell, Toronto)

Unlisted Mines

Toronto, August 11, 1942

Corporation Bonds

(Supplied by Investment Dealers' Association of Canada)

Aug. 11, 1942

Supplementary Stock Quotations

(Furnished by Plaxton, Cherry & McDonnell, Toronto)

Corporation Bonds (Cont'd)

*Payable in Can. or U. S.
†Payable in Can., U. S. or U. K.
*Payable in U. S.
‡Payable in Canada only.
‡Traded without accrued interest.
‡Payable in Can. or U. K.

Municipal Bonds

Aug. 11, 1942

	%	Due	Bid	Ask.	Yld. %
†Halifax	5	1961	114.00	117.00	3.74
Hamilton	5	1950	110.25	113.25	3.25
Montreal	5	1943	93.00	96.00	*
Ottawa	4½	1945	104.50	106.00	2.45
†Quebec	5	1959	109.00	112.00	4.02
Saint John	5	1950	105.00	108.00	3.90
†Toronto	4½	1955	110.00	113.00	3.18
†Vancouver	5	1950	99.00	103.00	4.54
Winnipeg	5	1944	100.25	103.25	3.00

†Payable Can. & N.Y. *Flat.

Investment Trusts

	Bid	Asked
Affiliated Funds	1.76	1.93
Can. Int. Trust	3.50	4.25
Can. Invest. Fund	2.90	3.20
Can. Investors	4.25	3.00
Corp. Investors	4.87	5.25
Trans-Canada	8.40	9.15

Dividends

Annual Meetings

1942	Company	Place
Aug. 19	Transcontinental Res'ces	Toronto
Aug. 26	Unit. Cig.-Wh. Stores	Wilmington
Sept. 10	United Securities*	Montreal

*Bondholders.

Mining Dividends

	Rate	Aug. 10	Yield %
Anglo-Huronian	20c	2.01	..
Argus Interests	†4c	.25	..
Aunor Gold	16c	1.10	14.6
Bayonne	†1c	.03½	..
Beattie Gold	10c	.58	..
Berens River	6c	.65	..
Bralorne	80c+40c	6.00	*20
Broulan Porc.	12c	.36	..
Buffalo Ankerite	▴30c	1.10	..
Bulolo Gold	$3	8.00	..
Can. Malartic	8c	.37	..
Cariboo Gold	16c+1c	1.00	*17
Central Patricia	16c+2c	.75	*24
Chesterville	▴15c	.50	..
Cochenour Willans	6c	.55	10.9
Coniagas	10c	.80	..
Coniaurum	‡10c	.60	..
Cons. Smelters	$1+$1.50	33.00	*7.5
Delnite	6c	.52	..
Dome Mines	$1.60	14.00	11.4
East Malartic	‡5c	1.01	..
Francoeur Gold	▴4c	.21	..
Goldale Mines	2c	.09	..
Gold Belt	2c	.12	..
Grandview	2c	.10	..
Grull Wihksne	†.00½c	.01½	..
Hallnor	40c	1.90	21
Hard Rock	3c	.33	..
Hedley Mascot	8c	.21	..
Hollinger	65c	7.25	8.9
Howey Gold	2c	.14	..
Hudson Bay	$2	22.25	8.9
Inter. Nickel, com.	$2	30.00	6.7
Island Mountain	8c	.88	..
Jason	▴4c	.10	..
Kerr-Addison	‡22c	3.75	..
Kerr Lake	▴5c	.50	..
Kirkland Lake	8c	.43	..
Lamaque Gold	‡30+25c	3.55	..
Lake Shore	80c	8.10	9.8
Leitch	8c	.50¼	15.9
Little Long Lac	‡10c	.79	..
Macassa	32c+3c	1.95	*18.4
Madsen R. Lake	3c	.37	..
Malartic Gold	▴10c	1.20	..
McGillivray Coal	1c	.10¼	..
McKenzie Red L.	12c	.51	23.5
Moneta	8c	.23	..
McIntyre-Porc.	$2.22+$1.11	38.50	*8.6
MacLeod-Cockshutt	10c	1.02	..
Negus	2½c	.36	..
Nipissing	15c	.86	..
Noranda	$4	44.00	9.1
North Empire	‡10c	1.00	..
O'Brien Gold	3c	.50	..
Pamour Porc.	▴12c	.36	..
Pato Cons.	‡25c	2.10	..
Paymaster Cons.	2c	.15	..
Pend Oreille	▴6c	.85	..
Perron Gold	16c+1c	.80	21.2
Pioneer, B.C.	32c	1.27	..
Pickle Crow	30c	1.55	19.3
Placer Develop.	25c	5.25	..
Premier	8c	.44	18.2
Preston E. Dome	20c	1.50	13.3
Privateer Mines	12c+1c	.26	..
Quebec Gold	▴2c	.20	..
Reno Gold	20c	.03¼	..
San Antonio	14c+6c	1.40	*14.3
Sheep Creek	16c+4c	.74	*27
Sherritt Gordon	10c	.62	..
Sigma Mines	60c	4.35	..
Silbak Premier	16c	.50	..
Siscoe	‡5c	.40	..
Sturgeon River	2c	.11	..
Sudbury Basin	2½c	1.15	..
Sullivan Cons.	‡6c	.50½	..
Surf Inlet	▴2c	.06	..
Sylvanite Gold	20c	1.49	13.4
Teck-Hughes	40c	1.65	24.2
Toburn	12c+2c	.75	*18.7
Upper Canada	‡5½	.66	..
Ventures	20c	3.50	..
Waite Amulet	40c	4.20	..
Wendigo	3c	.15	..
Wright Harg.	40c	2.13	18.7

▴Paid in 1941. *Yield including bonus. †Initial. ‡Paid in 1942 to date.

Dividends Declared

	This payment	Date payable	Date of record
Agnew Surpass	40+20c	Sept. 1	Aug. 15
Do., pref.	$1.75	Oct. 1	Sept. 15
Aluminum, c.	$2	Sept. 5	Aug. 15
Do., pref	†$1.50	Sept. 5	Aug. 15
Anglo-Can. Tel.	15c	Sept. 1	Aug. 15
Aunor Gold	4c	Sept. 1	Aug. 15
Barber Ellis	12½c	Sept. 15	Aug. 31
Bruck Silk	10c	Sept. 15	Aug. 29
Bk. of Montreal	$2	Sept. 1	July 31
Bk. Can. Nationale	$2	Sept. 1	Aug. 15
Beattie Gold	3c	Sept. 9	Aug. 12
Bk. of Toronto	$2.50	Sept. 1	Aug. 15
Bertram & Sons	15c	Aug. 15	July 31
Do., extra	5c	Aug. 15	July 31
Bathurst Power, A	25c	Sept. 1	Aug. 7
Borden Co.	†30c	Sept. 1	Aug. 15
Canada Starch, pf.	▪$3.50	Aug. 15	Aug. 8
Can. Wire & C., A	$1	Sept. 15	Aug. 31
Do., B	25c	Sept. 15	Aug. 31
Do., pref.	$1.62½	Sept. 15	Aug. 31
Confederation Life	$1.50	Sept. 30	Sept. 25
Do.	$1.50	Dec. 31	Dec. 25
Corr. Pap. Box pf.	$1.75	Sept. 1	Aug. 15
Canadian Oil, c.	25c	Aug. 15	Aug. 1
Can. For. Invest., pf.	▪$2	Oct. 1	Aug. 15
Can. Vinegars	10c	Sep. 1	Aug. 15
Can. Bakeries, p.	$1.25	Sep. 1	Aug. 18
Crown Cork	50c	Aug. 15	July 31
Commoil	.00½	Aug. 25	Aug. 15
Coniaurum M.	3c	Sept. 9	Aug. 14
Cosmos Imp.	30c	Aug. 15	July 31
Can. Breweries, p.	85c	Oct. 1	Sept. 15
Command Oils	2c	Aug. 31	Aug. 8
Canada Dry	†15c	Sept. 22	Sept. 10
Candn. Oil, p.	$2	Oct. 1	Sept. 19
Dom. Ang. Inv., pf.	$1.25	Sept. 1	Aug. 15
Dom. Bridge	30c	Aug. 25	July 31
Dom. Scot. Inv., pfd.	50c	Sept. 1	Aug. 20
Dominion Stores	▪10c	Aug. 20	Aug. 5
Dom. Found., pf.	$1.50	Sept. 1	Aug. 20
Eastern Steel	25c	Sept. 1	Aug. 15
Gen. Stl. Wares, p.	$1.75	Aug. 20	Aug. 10
Granby Cons.	▪†15c	Sept. 1	Aug. 14
Hallnor Mines	10c	Sept. 1	Aug. 15
Honey Dew	50c	Oct. 1	Sept. 15
Hedley Mascot	2c	Aug. 15	July 23
Hudson's Bay	3+*2%	Aug. 14	July 22
Ham. Un. Theat., p.	$1.25	Sep. 30	Sep. 15
Inter. Nickel, c.	†50c	Sept. 30	Aug. 31
Kerr Addison	5c	Aug. 28	Aug. 11
Leitch Gold	2c	Aug. 15	July 31
Langley's, pfd.	▪50c	Sept. 11	Sept. 2
Do.	▪50c	Dec. 11	Dec. 2
Lamaque Gold	10c	Oct. 1	Sept. 10
Do., bonus	15c	Oct. 1	Sept. 10
Loblaw Groc., A B	25c	Sept. 1	Aug. 10
Loblaw Inc.	†25c	Sept. 1	Aug. 14
L. of Woods Mill.	30c	Sept. 1	Aug. 15
Do., pref.	$1.75	Sept. 1	Aug. 15
Laura Secord	20c	Sept. 1	Aug. 15
Louisiana Land, c.	†10c	Sept. 15	Sept. 1
Maclaren P. & P., c.	25c	Aug. 31	Aug. 15
Massey-Harris, p.	62½c	Sept. 15	Sept. 1
McKenzie Red L.	3c	Sept. 15	Aug. 31
Montreal Loan	31¼c	Sept. 15	Aug. 31
McIntyre Porc.	55½c	Sept. 1	Aug. 1
Nat. Biscuit, c. pf.	†$1.75	Aug. 31	Aug. 14
Noranda Mines	$1	Sept. 15	Aug. 20
N. S. Light & P., p.	$1.50	Sept. 1	Aug. 15
Ont. Steel Prod.	25c	Aug. 15	Aug. 8
Do., pref.	$1.75	Aug. 15	Aug. 8
Paton Mfg.	$1	Sep. 15	Aug. 31
Do., pref.	$1.75	Sep. 15	Aug. 31
Photo Engravers	50c	Sept. 1	Aug. 15
Pickle Crow G.	10c	Aug. 31	Aug. 15
Paymaster Cons.	▪1c	Aug. 15	Aug. 1
Do.	▪1c	Jan. 15 '43	Dec. 31
Penmans	75c	Aug. 15	Aug. 5
Proprietary M.	5c	Aug. 29	Aug. 15
Prov. Transport	20c	Aug. 15	Aug. 5
Quebec Power	25c	Aug. 25	July 22
Remington Rand, c.	†20c	Oct. 1	Sept. 10
Do., pfd.	†$1.12½	Oct. 1	Sept. 10
Royal Bank	$2	Sept. 1	July 31
Regent Knit., c.	25c	Sept. 15	Aug. 31
Regent Knitting pfd	‡40c	Sept. 1	Aug. 15
Rolland Paper	15c	Aug. 15	Aug. 5
Do., pref.	$1.50	Sept. 1	Aug. 15
Reliance Gr. pf.	$1.62½	Sept. 15	Aug. 31
Shawinigan W. Pr.	23c	Aug. 25	July 24
South Can. Pr., com.	20c	Aug. 15	July 20
Siscoe Gold	1½c	Sept. 15	Aug. 12
Stuart Oil, pfd.	20c	Sept. 1	Aug. 15
Do., participat.	25c	Sept. 1	Aug. 15
Sylvanite Gold	5c	Sept. 30	Aug. 14
Howard Smith, p.	$1.50	Oct. 15	Sept. 30
Teck Hughes	10c	Oct. 1	Sept. 10
Twin City, pfd.	†$3.50	Aug. 21	Aug. 7
Toburn Gold	3c	Aug. 22	July 22
United Corp., A	38c	Aug. 15	July 15
United Fuel, pf. A	75c	Oct. 1	Sept. 19
Un. Grain Growers, A	$1	Sept. 15	July 31
Do., B	25c	Sept. 15	July 31
Upper Can. Mines	2½c	Aug. 31	Aug. 15
Ventures	▪5c	Sept. 25	Aug. 17
H. Walker-G. & W., c.	$1	Sep. 15	Aug. 21
Do., pfd.	25c	Sep. 15	Aug. 21
Waite Amulet	10c	Sept. 10	Aug. 18
Wright-Hargreaves	10c	Oct. 1	Aug. 26
York Knitting	20c	Aug. 15	Aug. 6
Do., 1st pref.	$3.50	Aug. 15	Aug. 6
Do., 2nd pref.	$3.50	Aug. 15	Aug. 6

†Payable in U. S. funds.
▪Subject to approval of Foreign Exchange Control Board.
‡Also 40c payable Dec. 1.
*Distribution from land sales; not subject to income tax.

Bond Redemptions

Bond Issues:	Rate	Year	Due	Price
Paton Mfg.	‡4½%	1956	Sept. 1	103
Gt. W. Sad'y	6%	1948	Sept. 1	105
Northern Tel.	4%	ser.	Sept. 1	101½
Int. Paper, "A"	*6%	1955	Sept. 1	105
Pac. Petrol.	6%	1945	Sept. 1	100½
Wood, A. & J.	6%	1944	Aug. 15	†

‡$12,500. *$431,000. †Tenders for $30,000.

Siscoe Prospecting Syndicate has secured control of the old Paymaster property at Cobalt and will examine it for possible cobalt production.

Hudson Bay Mining and Smelting Company is reported to be reopening the old Mandy Mine, which it acquired early this year.

Canada's Billion Bushel Grain Crop

Good Harvest Weather Vital to Ease Labor Shortage

From Our Own Correspondent

WINNIPEG—By far the largest grain crop on record faces Prairie farmers this year. Total yield for all cereals, mainly, wheat, oats and barley is almost certain to run over a billion bushels and may, if weather continues favorable, top that mark by three or four hundred million. Binders have begun to click, but it will be another month at least before the last of the harvest has been gathered.

Farmers cannot accomplish the task without working longer and harder at harvesting than they have ever done. There is a shortage of labor for the job, a shortage, that is, in the sense that farmers will not be able to hire men for harvest labor at the rate they would like to do, either as extra labor or to replace sons or hired men who have enlisted or gone to the factories. Nevertheless there is reasonable hope that the labor deficiency will be overcome.

Need Good Weather

A prime factor in the problem will be harvest weather. Over a large part of the west this year's weather has been practically perfect for crop production. If it is nearly as satisfactory for harvesting there will be long stretches during which work can proceed without interruption. Such a break would be of greater assistance toward completing harvest, than the addition of ten or twenty thousand laborers.

Well Supplied With Machinery

One reason for confidence is the fact that there is enough machinery in the country to handle the job, given favorable weather. In the old days of horse-drawn eight-foot binders twenty acres of cutting was a good day's work. Today where binders are still used, 10-foot tractor drawn machines will cut twice as much, and still more if operated in two shifts. And of course over large areas of western Canada, the grain will be handled by the combine, a machine which cuts and threshes in one operation, eliminating the backbreaking job of stooking and also the weather risk of waiting for a late threshing.

Labor Very Short

To a very large extent the crop will be taken off and threshed by the same men who put it in, although they would be glad to hire extra labor if it were to be had. But long hours for himself will not be the farmer's only recourse in the absence of the usual hired men. Machines will be driven by old men and by school-boys, by women and by girls, even if these are capable of only short working time. At least they can keep the machines running to avoid meal time stops.

Another expedient, and perhaps the most fruitful, will be the exchange of work, both of men and machines. Definite organization to that end is taking place in many communities, and especially in Alberta. In many places local businesses may shut down in order to release men to do work in the immediately surrounding fields. In Saskatchewan 10 provincial zoning committees are being set up to canvass all available local sources of labor. Near the United States border there is some hope of assistance from casual labor which is to be allowed to cross the line to assist in the harvest, just as American owners of harvest machinery may bring it across, free of duty, to carry on after harvest work south of the border is completed.

Storage Problem

After the labor problem the farmer's next problem is where to store his grain. Country elevators will have room at once for a total of 200 million bushels, or depending on the district for from 10 to 20% of the grain to be produced on the average farm. As harvest progresses some more room will be made by shipments out of country elevators to terminals, but these will be restricted by the low rate at which terminals are able to make room by shipments down the lakes. These are not likely to be heavy until late November or early December. At that time, when freezing weather impedes the carriage of ore, a large part of the lake ore fleet may be turned in for one or two grain trips, and for storing grain afloat over the winter.

Farmers must find temporary accommodation for grain that they will be delivering over the next 12 months and permanent accommodation for the surplus. That will include possibly 200 million bushels of wheat which they would like to sell except for government regulations which limit wheat deliveries to 280 million bushels for the crop year. It will include a somewhat smaller quantity of feed grains, but quite possibly up to 100 million bushels which farmers will willingly retain as a reserve against poor crops in following years.

Storage capacity for such quantities is available on many farms. But a good deal of additional farm storage will be built, especially as some supply of lumber has now been assured through lumber priorities granted to farmers for this purpose. It takes approximately one board foot of lumber for every bushel of space provided in average bins.

The problem of temporary storage will be met by many expedients, one of which will be piling grain on the ground when it is threshed. If protected against mice and other pests it will stand a remarkable degree of exposure, even to wet weather.

In other cases farmers will deliberately delay a portion of their threshing, leaving grain standing in the stock. Experience in Alberta with late threshed grain, even when exposed to rain and snow has been frequently satisfactory, as drying in that climate is usually rapid. In some places farmers will build temporary granaries with baled straw and thatched roofing.

Financial Position

One of the farmer's difficulties will be in convincing creditors that he is not immediately as well off as he appears to be. His grain marketings will have to be extended over the whole crop year, instead of being largely concentrated at harvest time. And a large part of his wheat crop, in many cases considerably over half, will be completely unmarketable for over a year, because of official delivery restrictions, although harvest and threshing expenses must be immediately met.

Another problem will be what plans wheat farmers should make for next year. Those with 35 bushel crops or better, and there are many such, will have produced this year not only all the wheat they are allowed to sell for this crop year, but also all they may be allowed to sell the following year. What use they should make of their land and labor will be a matter of concern not only to themselves but also to the government, and a good deal of discussion on that subject can be expected during the coming months.

Coarse Grain Angle

A matter of more immediate concern is the carrying out of the official price guarantee to farmers with respect to oats and barley. Farmers were promised a basic price for oats of 45 cents per bushel, and for barley of 60 cents per bushel. How much of these grains they will want to sell is as yet problematical, but it may well be a quantity that can only be disposed of if a market can be found in the United States for 200 million bushels or more of Canadian feed grains. With great quantities of unsaleable wheat on their hands, farmers are likely to feed this, and offer for sale their coarse grains, relying on the government's price guarantee, which was not limited as to quantity. If the United States is not both willing and able to absorb Canadian oats and barley at a rate entirely unprecedented and if the movement can not be got under way at an early date, there is danger of western elevators being promptly clogged with feed grains, and of government's having on its hands a surplus of such grains quite as unmanageable as the wheat surplus has at times appeared to be. It is understood that the United States government gave some sort of undertaking to the Canadian government at a time when neither government had any reason to expect such abundant grain production as has taken place this year on the North American continent, and when it was thought that the United States might have urgent need of feed grains produced in Canada.

Vastly Improved

A recital of these problems associated with this year's crop production does not imply that the west is not tremendously better off than would have been the case with a small crop. Quite apart from the cash income to be derived from sale of grain during the year, the country is now assured abundant feed supplies. With these behind it the West can be counted on to increase its production of livestock to still greater levels.

Perhaps as important as anything else is the immeasurable lift to the spirit and confidence of the West resulting from this year's magnificent production. It must not be supposed that one good crop will solve all the difficulties that have accumulated over a series of years. But at least it will make both possible and necessary a different approach to many western problems.

Ample Shortening For Rest of Year

Scarcity of Vegetable Oil Offset by Large Supplies of Lard, so Housewives Don't Need to Worry, W.P.T.B. Officials Say

By STAFF WRITER

OTTAWA.—Canadian housewives need not fear an over-all reduction in the amount of shortening which will be available for the balance of this year, officials of the Wartime Prices and Trade Board say.

But it will not be the same kind of shortening. To a much greater extent, they will have to depend on lard. Canada is said to have between 12 and 15 million pounds of lard, more than twice as much as a year ago. On the other hand, there is a shortage of vegetable oils on which makers of blended shortenings have been depending for many years.

Sources of cocoanut oil, palm oil, rape seed oil, babass nut oil and much of our soya bean oil has long been the Netherlands East Indies, the various islands of the south seas, the Philippines, Africa, South America and others. Some of these are now in enemy hands; in other cases shipping difficulties make it impossible to be assured of regular supplies.

Joint Buying Plan

One result of this situation is expected to be the announcement in the near future of a joint plan for bulk buying of vegetable oils by Canada, the United States and the United Kingdom. Details are not yet available but it appears that a pooling of available supplies is in the offing.

In the meantime, Canada has announced an order limiting makers of shortenings to 80% of the quantity produced during the corresponding months of 1941. Manufacturers are also limited to 56% of the vegetable oils which they used for making shortening on a similar basis. This 56% vegetable oil allowance does not mean any reduction below the 30% cut which has been in force for some time. It is arrived at by applying the 20% reduction in total amount to be produced against the 30% cut in vegetable oil already in effect.

At the same time Metals Controller Bateman has placed restrictions on the use of tin plate to make containers for shortenings.

Oils for Soap

Vegetable oils, in addition to their use in foods, are essential in soap making. This industry, however, produces glycerine as a by-product of its processes and glycerine is badly needed in making explosives. Thus every effort has been made to keep the soap industry operating as near capacity as possible.

On this continent cottonseed oil, peanut oil, soya bean oil and linseed oil are the main vegetable oils produced, with by far the major share produced in the United States from cotton and peanuts. Canada produces a limited quantity of soya bean oil and linseed oil. Production of these is being substantially increased this year and we will be able to export flax seed, from which linseed oil is made. Linseed oil is not used as an edible oil in Canada although in other parts of the world it is said to be important as food. In this country and the United States the chief use of linseed oil is a drying oil in paints.

Cottonseed oil comes largely from the U.S. with smaller quantities available from Brazil. Efforts are being made to get increased production of this oil and peanut oil but shortages of other vegetable oils have more than offset gains from domestic output.

Beef and mutton tallow are fats widely used in soap making. Canada produces limited quantities but we are far from self-sufficient and depend on imports from South America, New Zealand and Australia. Our domestic production has increased, with salvage efforts playing an important part.

Deliver Clip Now Says Wool Board

Canadian wool growers have been informed by the Canadian Wool Board that they may as well deliver their 1942 clip as soon as possible. The Board states that prices will be similar irrespective of when delivery is mad.e

There will thus be no advantage in withholding supplies in the expectation at a later price rise. In fact, the Board points out, there may be some disadvantage in withholding, as there is always the danger that wool will deteriorate in farm storage.

Moreover, if this 1942 clip by any chance is held by the farmer until 1943, and prices in that year are higher, such an increase will not apply to the old clip. Any qualified grader, it is stated, can easily determine whether the clip is new or from that of a previous season.

Commodities

	Latest week	Previous week	Same week last yr.
Cattle	$9.96	$10.54	$8.78
Hogs	16.10	16.04	14.70
Copper, lb.	*.12	.12	.12
Cotton, lb.	.1959	.1953	.1721
Sugar, raw, lb.	*.0374	.0374	.0355
Wheat, Man. (bu.)	.88¾	.86⅝	.73⅝
Coffee, lb.	*.09⅝	.09⅝	.09
Hides	*.15½	.15½	.15
Weekly Indices			
U. S. Labor	98.6	98.4	89.2
Wood, Gundy	77.8	77.0	74.7
Dow Jones (fut.)	84.55	84.41	76.64
Fishers	108.1	108.4	96.2
Monthly Indices			
Canada (D.B.S.):			
Retail (June)†	116.7	116.1	110.5
W'sale (June)	95.8	95.2	90.1
U. S. (May)	98.8	98.7	84.9
Gt. Brit. (Apr.)	159.6	158.8	150.9

Note:—The base of indices is that 1926 equals 100. †Base 1935-39 equals 100. The British index is Board of Trade converted to 1930 base.

Base of price quotations is as follows: Cattle — Steers, good, over 1,050 lb., top price, Toronto. Copper-electrolytic. New York, No. 7 coffee, Rio. Sugar—96 degrees centrifugal, c/f New York. Wheat—No. 1 Man. North., Ft. W.-Pt. A. basis.

*Ceiling prices fixed by the office of Price Administration.

Wheat Prices

Winnipeg Grain Futures

Week to Aug. 10, 1942

Crop year from Aug. 1, 1942 High	Low		High for week	Low for week	Close Aug. 10
		Wheat			
.90	.90	Oct.	.90	.90	.90
		Oats			
.50½	.45⅝	Oct.	.46½	.45⅝	.46⅛
.48	.45⅝	Dec.	.45⅝	.45⅝	.45⅝
		Barley			
.63⅞	.57	Oct.	.61	.60¼	.60¼
.61⅛	.60⅜	Dec.	.60⅜	.60¼	.60⅜
		Rye			
.65⅝	.53⅞	Oct.	.56	.53⅞	.54
.56	.55⅞	Dec.	.56	.55⅞	.56

Cash Quotations

For Week	Aug. 10 High	Aug. 10 Low	Prev. Week High	Prev. Week Low
Wheat:				
1 Nor.	.88¾	.88½	.88⅝	.81⅛
2 Nor.	.85¾	.85⅝	.85¼	.78⅛
3 Nor.	.82⅝	.82⅜	.82⅜	.74¼
4 Nor.	.80	.79½	.79½	.71⅝
5 Wheat	.74	.74	.74	.70⅛
6 Wheat	.72½	.72½	.72½	.68⅜
Feed	.70	.70	.70	.66⅛
Oats:				
2 C. W.	.45⅝	.45	.51⅛	.46⅝
3 C. W.	.44⅝	.43⅝	.51⅛	.46⅜
Barley:				
1 Feed	.57¼	.56⅝	.57⅛	.56¼
2 Feed	.56¼	.56⅛	.55⅛	.54¼
Rye:				
2 C. W.	.53⅛	.52⅛	.55⅛	.53⅛

Company Reports

Neon Products

Neon Products of Western Canada showed an increase in gross revenue for the fiscal year ended Apr. 30, 1942. Higher direct costs, including maintenance, resulted in a lower net profit, equivalent to 84 cents per share on the common compared with $1.15 in 1941. Dividends on this class of stock amounted to 60 cents per share in each year.

Manufacture of metal signs over one square foot in area has been prohibited by order of the Controller of Supplies from May 31, 1942. In common with other neon sign manufacturers in Canada, the company's operations in this line are accordingly limited to maintenance of existing signs on contract plus the manufacture of signs not requiring new steel. Results of this order will be reflected in the company's accounts for the current year.

Income and Surplus Account
Years Ended Apr. 30

	1942 $	1941 $
Gross revenue	760,302	733,738
Less: Direct costs	436,931	393,029
Operating profit	323,371	340,709
Less: Amort. of signs	198,040	195,459
Amort. of rts., etc.	4,500	4,500
W/o invests., etc.	9,814	988
Interest	487	1,137
Inc. & E. P. taxes	54,000	65,000
Net profit	56,530	73,625
Less: Preferred divds.	10,319	10,590
Common dividends	32,902	32,902
Pref. s. f. reg.	5,425	3,443
Surplus for year	7,884	26,690
Add: Prev. surplus	152,983	126,308
Prof., pref. red.	9	......
Less: Prem. pref. red.	......	15
Earned surplus fwd.	160,876	152,983
Earned per share:		
Preferred	$16.88	$20.86
Paid	3.00	3.00
Common	0.84	1.15
Paid	0.60	0.60
Working Capital	$	$
Current assets	194,241	84,646
Current liabilities	166,460	200,477
Working capital	27,781	*115,831

*Excess of current liabilities over current assets.

Willson Stationers

A substantial improvement in earnings was shown by Willson Stationers and Envelopes, Ltd., Winnipeg, for the year ended Apr. 30, 1942. Net profit was equivalent to $17.12 on the 5% preference stock in the hands of the public, while common shares earned 82 cents. Comparative figures for the 1940-41 years were $9.66 and 29 cents, respectively.

Balance sheet at Apr. 30, 1942, showed cash down from $60,073 to $22,227; accounts receivable up to $158,603, as compared with $125,393 and inventories of $441,969 as compared with $399,534 at Apr. 30, 1941. Chief change in current liabilities was in accounts payable which increased to $102,617 from $61,238.

Income and Surplus Account
Years Ended Apr. 30

	1942 $	1941 $
Gross profit	499,585	436,834
Add: Other income	35,188	31,879
Prof. on plant sold	476	10
Total earnings	535,249	468,723
Less: Wages & sals.	247,840	227,638
Rents	52,632	50,659
Taxes	6,000	6,152
Depreciation	19,376	16,466
Int. & discount	3,787	2,586
Bad debts	1,518	803
Group insurance	1,020	950
Other exps. & chgs.	105,701	100,013
Inc. & E. P. taxes	39,004	29,518
Net profit	58,371	33,941
Less: Pref. dividends	20,000	20,000
Less: Subsid. portion	2,681	513
Surplus for year	41,052	14,454
Add: Prev. surplus	88,782	47,542
Life ins. claim (net)	......	26,786
Adj. re pr. yr. taxes	12,793	......
Earned surplus fwd.	142,627	88,782
Earned per share:		
Preferred	$17.12	$9.66
Paid	5.00	5.00
Common	0.82	0.29
Paid	nil	nil
Working Capital	$	$
Current assets	622,799	585,000
Current liabilities	145,529	97,934
Working capital	477,270	487,066

Canadian Wirebound

Volume of business of Canadian Wirebound Boxes, Ltd., increased approximately 40% in the year ended Apr. 30, 1942. Net profit rose to $139,547 from $111,129 for the previous year. Earnings per share on the class A stock were $2.52 in the 1941-42 years as compared with $1.96 for 1940-41; class B stock earned $1.13 in 1941-42, after allowing for the participating feature, as against 59 cents in 1940-41.

Dividends on the class A stock were paid at the full rate of $1.50 during the year and, in addition, 50 cents was paid on account of arrears. At Apr. 30, 1942, arrears were $1.75 per share and this was further reduced to $1.62½ cents on July 2, 1942.

A considerable portion of the company's business is now made up of products manufactured either directly or indirectly for war purposes, A. M. Dunn, president, stated in the annual report. Improvements to plant and additional space have been provided to enable the company to handle the increased volume resulting from war business.

Income and Surplus Account
Years Ended April 30

	1942 $	1941 $
Net earnings	359,339	292,730
Less: Depreciation	91,792	81,140
Income taxes	128,000	100,461
Net profit	139,547	111,129
Less: Spec'l surp. acct.	11,375	11,112
Class A divds.	101,830	76,373
Surplus for year	26,342	23,644
Add: Prev. surplus	224,311	200,667
Less: Prior yr. income tax adj.	25,797	......
Earned surplus forw'd	224,856	224,311
Earned per share:		
Class A	$2.52	$1.96
Paid	2.00	1.50
Class B	*1.13	0.59
Paid	nil	nil
Working Capital		
Current assets	714,912	673,485
Current liabilities	488,686	292,393
Working capital	226,226	381,092

*After allowing for participating feature.

Standard Fuel

Standard Fuel Co., Ltd., showed improvement in earnings for the year ended Apr. 30, 1942, reflecting a better margin being realized on sales. Net profit was equivalent to $5.67 on the 6½% preference stock, par $100, as compared with $5.11 for the 1940-41 year. After allowing for a full year's dividend on the preference, deficit for the year was 19 cents per common share as against a deficit of 33 cents for the previous year. Dividends on the preference stock were paid at the rate of 4% per annum, the same as in the previous year, arrears increasing to $6.87½ per share as at Apr. 1, 1942.

Inventories at Apr. 30, 1942, were substantially higher at $611,707, against $381,495.

Outlook for obtaining adequate supplies of fuel is uncertain under present abnormal conditions, the president stated in the annual report. In the year ended Apr. 30, 1942, tonnage of bituminous coal sold increased substantially and American anthracite coal also was sold in greater volume. Supplies of coke and Welsh anthracite coal were much curtailed and in consequence the tonnages of these two fuels sold showed declines as compared with the previous year.

Income and Surplus Account
Years Ended Apr. 30

	1942 $	1941 $
Operating profit	209,673	180,106
Add: Other income	3,611	5,104
Total earnings	213,284	185,210
Less: Exec. remun.	35,500	24,500
Directors' fees	2,250	2,250
Depreciation	55,382	46,170
Income & E.P. taxes	54,590	51,690
Net profit	65,562	60,600
Less: Pref. divds.	46,240	47,440
Surplus for year	19,322	13,160
Add: Previous surplus	231,383	218,223
Less: W/o re disposal of bldgs & equip.	9,656	......
Earned surp. forward	241,049	231,383
Earned per share:		
Preferred	$5.67	$5.11
Paid	4.00	4.00
Common	d0.19	d0.33
Paid	nil	nil
Working Capital	$	$
Current assets	1,355,060	1,096,826
Current liabilities	451,167	266,872
Working capital	903,893	829,954

Agnew-Surpass

Agnew-Surpass Shoe Stores Ltd. reports an increase in sales of more than $1 million at $5,135,333 in the year ended May 31, 1942, after eliminating sales from factory to store company. This is an increase of 26.8% over a year ago.

Net operating profit rose to $686,267 from $460,274 while net profit was up slightly. Provision for income and excess profits tax amounted to $383,922 against $174,743.

The report points out that provision for excess profits taxes has been calculated after applying an inventory reserve as permitted by the Act. If there is an additional liability it can be determined only as a result of changes in future inventory prices or termination of the Act, it is stated.

Net in the latest year was equal to $2.52 a share on the common stock, compared with $2.29 in the previous fiscal year.

Working capital position showed slight improving during the year. One new store was opened, making a total of 79 in operation at May 31, 1942.

Income and Surplus Account
Years Ended May 31

	1942 $	1941 $
Gross sales	5,135,333	4,048,748
Net oper profit*	686,267	460,274
Add: Misc. adjusts.	......	817
Less: Directors' fees	525	590
Depreciation	38,836	41,501
Inc. & E. P. taxes	383,922	174,743
Net profit	262,984	244,257
Less: Pref. dividends	70,000	70,000
Subsid. portion	8,757	8,671
Common dividends	80,000	80,000
Subsid. portion	......	44
Subsid. min. divd.	60	52
Surplus for year	121,681	102,920
Add: Prev. surplus	558,278	455,358
Earned surp. forward	679,959	558,278

*After deducting executive remuneration and legal fees of $67,010 in 1942 and $65,440 in 1941.

Earnings per share:	1942	1941
7% preferred	$30.06	$27.89
Paid	7.00	7.00
Common	2.52	2.29
Paid & payable	1.00	1.00
Working Capital	$	$
Current assets	2,162,748	1,890,588
Current liabilities	732,480	573,590
Working capital	1,430,268	1,316,998

Toburn Gold Mines produced $59,274 in June compared with $64,857 in May, this year. Total production for the first six months of 1942 was $392,797 against $580,187 in the first six months of 1941.

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Offices: DULUTH - MINNEAPOLIS

TORONTO ELEVATORS LIMITED
Also Owning and Operating the Sarnia Elevator Co. Ltd.
Capacity: Toronto, 4 Million Bushels
Sarnia, 3 Million Bushels
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QUEEN'S QUAY - - TORONTO

HALLET & CAREY LIMITED
GRAIN - STOCKS - BONDS
Exporters - Grain Futures
Head Office — WINNIPEG, Man.
Branch — FORT WILLIAM, Ont.

DIVIDEND NOTICES

THE BANK OF NOVA SCOTIA

Dividend No. 291

Notice is hereby given that a Dividend of three per cent on the paid-up Capital Stock of this Bank has been declared for the current quarter to shareholders of record of September 15th, and that the same will be payable on and after Thursday, the first day of October next, at any of the offices of the Bank in Canada.

By order of the Board.
H. D. BURNS,
General Manager.
Halifax, N.S., August 11th, 1942.

DIVIDEND NOTICE
HIRAM WALKER-GOODERHAM & WORTS LIMITED

DIVIDEND NO. 86

A quarterly dividend of 25¢ a share has been declared on the outstanding no par value Cumulative Dividend Redeemable Preference Stock of this Company, payable Tuesday, September 15, 1942 to shareholders of record at the close of business on Friday, August 21.

DIVIDEND NO. 87

A dividend of $1.00 a share has been declared on the outstanding no par value Common Stock of this Company payable Tuesday, September 15, 1942 to shareholders of record at the close of business on Friday, August 21.

By Order of the Board,
FLETCHER RUARK,
Secretary.
Walkerville, Canada
July 31, 1942.

DIVIDEND NOTICES

The Royal Bank of Canada

DIVIDEND NO. 220

Notice is hereby given that a dividend of two per cent (being at the rate of eight per cent per annum) upon the paid-up capital stock of this bank has been declared for the current quarter and will be payable at the bank and its branches on and after Tuesday, the first day of September next, to shareholders of record at the close of business on the 31st day of July, 1942.

By order of the Board,
S. G. DOBSON,
General Manager.
Montreal, Que., July 21, 1942.

The Bank of Toronto

DIVIDEND NO. 244

Notice is hereby given that a Dividend of Two and One-half per cent upon the Paid-up Capital Stock of this bank has been declared for the current quarter, and the same will be payable at the bank and its branches on and after the first day of September next to shareholders of record on August 15th, 1942.

By Order of the Board.
B. S. VANSTONE,
General Manager.

RELIANCE GRAIN COMPANY LIMITED

6½% CUMULATIVE PREFERRED STOCK

A DIVIDEND of one and five-eighths per cent (1⅝%) per share, being the dividend for the quarter ending August 31, 1942, has been declared and authorized to be paid on September 15, 1942, to all preference shareholders of record with the transfer agents of the Company at the close of business on August 31, 1942.

By order of the Board,
A. W. GIBB, Secretary.
Winnipeg, July 31, 1942.

ANGLO-CANADIAN TELEPHONE COMPANY

CLASS A DIVIDEND NOTICE

Notice is hereby given that a dividend of one and one half per cent (1½%) has been declared on the Class A Stock of the Company, payable September 1, 1942, to Stockholders of record at the close of business on August 15, 1942.

By Order of the Board,
CAMERON HOUGH,
Secretary.
Montreal, August 7, 1942.

DIVIDEND NOTICES

BANK OF MONTREAL

Established 1817

DIVIDEND NO. 317

NOTICE is hereby given that a DIVIDEND of TWO DOLLARS per share upon the paid up Capital Stock of this Institution has been declared for the current quarter, payable on and after TUESDAY, the FIRST day of SEPTEMBER next, to Shareholders of record at close of business on 31st July, 1942.

By Order of the Board
JACKSON DODDS, General Manager. G. W. SPINNEY, General Manager.
Montreal, 21st July, 1942.

LANGLEY'S LIMITED

DIVIDEND NOTICE

Notice is hereby given that a dividend of 50c per share on the outstanding paid up seven percent (7) Cumulative Redeemable Preference Shares of the Company, which was declared by the Board of Directors at a meeting held on January 27th, 1942, will be paid on September 11th, 1942, to shareholders of record at the close of business on September 2nd, 1942.

By order of the Board.
P. G. SHAY,
Secretary-Treasurer.
Toronto, July 30th, 1942.

CANADA WIRE & CABLE COMPANY

DIVIDEND NOTICES

PREFERRED DIVIDEND NO. 54.

TAKE NOTICE that the regular Quarterly Dividend of $1.625 per share, on the outstanding Preferred Stock of the Company for the three months' period ended 31st August, 1942, has been declared as Dividend No. 54, payable 15th September, 1942, to Shareholders of record at the close of business, 31st August, 1942.

CLASS "A" DIVIDEND NO. 28.

ALSO TAKE NOTICE that a Dividend of $1.00 per share on the outstanding Class "A" Common Shares of the Company has been declared as Dividend No. 28, payable 15th September, 1942, to Shareholders of record at the close of business, 31st August, 1942.

CLASS "B" DIVIDEND NO. 18.

ALSO TAKE NOTICE that an Interim Dividend of 50 cents per share on the outstanding Class "B" Common Shares of the Company has been declared as Dividend No. 18, payable 15th September, 1942, to Shareholders of record at the close of business, 31st August, 1942.

By Order of the Board.
A. I. SIMMONS,
Secretary.
Toronto, 6th August, 1942.

Every Canadian Feels Impact of Wartime Orders

The Financial Post Will Summarize New Ottawa Regulations Weekly

Every Canadian, whether he realizes it at the time or not, feels the impact of orders passed by the Wartime Prices and Trade Board, the Department of Munitions and Supply, the National War Labor Board and other government agencies.

Not every Canadian, however, is able to keep abreast of these orders, now pouring out of Ottawa in such volume.

To make it easier, The Financial Post plans to print brief summaries of the latest orders as a regular feature. In each case the number of the order and the name of the responsible controller or administrator will be given for the convenience of those who may wish to write the proper official for fuller information or for interpretations of particular clauses.

This new Post feature will prove a very valuable service to business. The manufacturer, the wholesaler, the retailer, the dry cleaner, the theatre owner, the restaurateur — all are subject to regulations. Orders which do not affect them directly often affect them indirectly but no less vitally, so it's important that they keep posted.

Rapidly changing long-established business practices, sweeping from retail shelves goods which have always been sold before, even dictating the color of women's sweaters and hats and the style of men's suits, these orders are easily the biggest business news of the day.

The Department of Munitions and Supply has just published a booklet, "The Industrial Front," which summarizes all its orders up to July 1. M. & S. orders announced after that date are summarized below, as are WPTB orders of the last month. From now on The Post will publish in each issue orders of the previous week.

LEAD. M. & S. Order M.C. 11A, June 20. No person may sell or buy any virgin or secondary lead, or lead base alloys containing more than 50% lead by weight, in pig or ingot form, without first obtaining the written approval of the Metals Controller. Type metal, babbitt, and solder are excepted. Metals Cont., G. C. Bateman.

* * *

MINING DEVELOPMENT. M. & S. Order, M.C. 19, June 22. To conserve machinery and other mine supplies the opening of new mines or the extension of existing mines is prohibited except by permit. Metals Cont., G. C. Bateman.

* * *

HEATING CONVERSION. M. & S. Order C.C. 11, June 27. No person may spend without license from Controller more than $2,500 for the conversion of heating or power production facilities from oil or gas to coal or other fuel. Cont. of Construction, C. Blake Jackson.

* * *

NEW AND USED TRUCKS. M. & S. Order, M.V.C. 19, July 6. This sets Oct. 1 as the first day of the model year for trucks, and schedules prices for new and used trucks, specifying transportation and other allowances the dealers may charge. Motor Vehicle Con., J. H. Berry.

* * *

METAL FURNITURE PARTS. M. & S. Order, C.S. 26D, July 7. Metal may no longer be used in the manufacture of furniture parts unless a permit is obtained from the Controller of Supplies. Stamped pulls for doors and drawers, casters and small joinings and bathroom hardware are exempt. Cont. of Supplies, Alan H. Williamson.

* * *

PETROLEUM ASPHALT.—M. & S. Order O.C. 14, July 12. Use of petroleum asphalt for roads, roofing and other industrial purposes prohibited except by permits. Oil Con. G. R. Cottrelle.

* * *

GROCERY PRICES. Order 156, July 14. This amends Order 116 as it relates to the sale of certain kinds of soap. Signed by Donald Gordon, W.P.T.B. chairman.

* * *

MILK AND MILK PRODUCTS. Order 158, July 14. This amends Order 124, as amended by Order 140, by deleting section 10A of part 3. Signed by Donald Gordon.

* * *

KNIT GOODS. W.P.T.B. Order A-293, July 14. No manufacturer may sell new style knit goods until maximum price thereof is fixed by the Administrator. No wholesaler shall sell new style knit goods at a price exceeding his lay down cost plus his normal mark-up, which in no case shall be more than 20% net of wholesaler's selling price. No retailer shall sell such goods for more than his lay down price plus normal mark-up in no case exceeding 35% of his selling price. H. G. Smith, Adm. of Knit Goods.

USED STRUCTURAL STEEL. W.P.T.B. Order A-296, July 16. Fixes maximum price of used structural steel at 4 cts. per lb. for sales of 500 lb. or less, or 3½ cts. for sales of more than 500 lb., f.ob. vendor's shipping point. Also establishes prices for cutting such steel. S. Godfrey, Adm. of Used Goods.

* * *

SUGAR RATIONING. W.P.T.B. Order 163, July 17, amends Order 150. No institution or public caterer may use in any quarter year more than 70% the amount of sugar used in the like quarter of the previous year. No industrial user may use more than 70% of the sugar used in the same quarter of 1941 except for products to be exported to other parts of the British Empire, sold to the Department of National Defense, sold to the Red Cross for export, or delivered to canteens inside army, navy or air force establishments. The use of sweetened condensed milk for industrial purposes is deemed to be a use of sugar. No retailer may purchase sugar at wholesale without delivering ration coupons for 98% of such purchase or sugar purchase vouchers from his customers. Wholesalers buying sugar to forward coupons and vouchers from his customers, equal to 98% of purchase, to the board. Signed by Donald Gordon, W.P.T.B. chairman.

* * *

FIBRE FOOD CONTAINERS. W.P.T.B. Order A-301, July 18. Specifies sizes for solid fibre or corrugated fibre board containers for storage or transportation of such foods as macaroni, spaghetti, noodles. F. C. Hayes, Adm. of Shipping cases.

* * *

HONEY. W.P.T.B. Order 162, July 20. Restricts industrial user of honey in any quarter of this year to same amount he used in like quarter of previous year, except for products to be sold to the Department of National Defense, to the Red Cross for export, to be sold within military establishments, or to be exported to other parts of the British Empire. Donald Gordon, W.P.T.B. chairman.

* * *

COTTON CLOTH. W.P.T.B. Order A-303, July 21. No manufacturer or finisher of cotton cloth or yarn may sell at prices higher than in Feb., 1941, except to Department of Munitions and Supply or contractor manufacturing goods for this Department. J. G. Dodd, Adm. of Cotton.

* * *

BENZOL—M. & S. Order O.C. 15, July 22. Use of benzol in gasoline for motor vehicles or other purposes prohibited except by permit, to save benzol needed for aviation gas and synthetic rubber. Oil Con. G. R. Cottrelle.

* * *

DELIVERY SERVICES. W.P.T.B. Order 157, July 22. Amends Order 120. Retailers are prohibited from delivering an order of goods under $1 in value, but the following exceptions are made:

Eggs: fish, except when canned; fresh fruits or vegetables; bread and bakery products; dairy products; fuel in any form; meat (but not canned meats); lard and shortening; box lunches or soft drinks if delivered with them; photographs, blueprints or photostatic copies; newspapers, magazines or periodicals delivered by a retailer over a regular route; goods from a drug store to fill a doctor's prescription; articles such as cement, sand, ice and articles (as for instance a garbage can) which are too cumbersome or heavy for the customer to carry; any article where the customer claims he is too ill or otherwise incapable of calling for the goods or carrying them home.

While these articles may be delivered in amounts of less than $1 other goods cannot be included with them unless the total purchase value of the order is $1 or over.

If goods are to replace goods delivered in error, or if they are goods forming part of an order previously given for goods of a value of $1 or over, they may be delivered.

Restrictions contained in the order apply only to sales of goods made from a retail store for personal or household use.

Retailers may deliver orders in cases where several customers have co-operated to bring the amount of their joint order up to $1 or more. James Stewart, Adm. of Services.

* * *

PAINTS AND VARNISHES. W.P.T.B. Order A-304, July 23. Restricts number of shades or colors in which manufacturers may manufacture paint, enamel, varnish, stains and putty, caulking, etc. Unaffected are paints or varnishes for industrial or automotive purposes or made to order for building maintenance. A-304 revokes Order A-41. Phyllis G. Turner, Adm. Oils and Fats.

* * *

VENETIAN BLINDS. W.P.T.B. Order A-305, July 24. Restricts wooden slats for Venetian blinds to three widths and four colors. James E. Ferguson, Adm. of Furniture.

* * *

CREDIT. W.P.T.B. Order 161, July 25, amends Order 75 and fixes a schedule of minimum down payments for installment purchases Also provides for minimum finance charges for such purchases, with specified exemptions. Signed by Donald Gordon, W.P.T.B. Chairman.

* * *

BARBED WIRE. W.P.T.B. Order A-264, July 27. This amends Order A-168, sets out the type of barbed wire it is permissible to manufacture, and provides that single strand barbed wire may only be sold to agencies of the government. H. H. Foreman, Adm. of Fabricated Steel and Non-Ferrous Metals.

* * *

FEEDS PACKAGING. W.P.T.B. Order A-306, July 27. This specifies the type of packaging in which it is permissible to sell livestock feeds. F. W. Presant, Adm. of Feeds.

* * *

LADIES' FELT HATS. W.P.T.B. Order A-307, July 27. This restricts the use of shellac for stiffening women's felt hats, prohibits the production of hat hoods by the "capeline" process, designates the colors felt hoods may be dyed. J. A. Klein, Adm. of Women's and Children's Wear.

* * *

RENTALS BASED ON VOLUME Order 164, July 28. This regulates the rental which may be charged for premises where rental is fixed by volume of business, so that new taxes, on which no mark-up or profit is permitted, will be excluded from the receipts on which rental is based.

* * *

BEEF PRICES. W.P.T.B. Order A-309, July 28. This sets out a schedule of maximum prices processors or wholesalers may charge for the various cuts of beef. J. G. Taggart, Adm. of Foods.

* * *

ADVERTISING BY BREWERS. W.P.T.B. Order A-313, July 28. Prevents brewers from giving away advertising novelties, from supplying furniture or other equipment for beer parlors, and from using wrappers or labels which refer in any way to a particular holiday, season, or event. D. Sim, Adm. of Alcoholic Beverages.

* * *

KNITTED OUTERWEAR. W.P.T.B. Order A-315, July 29. Hereafter knitted outerwear may only be manufactured in 33 specified colors. Adm. of Knitted Goods, H. G. Smith.

* * *

LEATHER FOR WEARING APPAREL. W.T.P.B. Order A1318, July 30. Revokes Order A-62 and fixes maximum price at which tanners may sell the various grades of leather for use in leather garments. Specifies colors allowed. Adm. of Hides and Leather, S. C. Cook.

* * *

CONDOMS.—W.P.T.B. Order A-317, July 30, regulates the manufacture and sale of condoms. Adm. of Supplies, A. H. Williamson.

* * *

SUIT LENGTHS. W.P.T.B. Order A-316, July 30. No cloth to be used for man's or boy's suit may be sold in greater lengths than 3⅝ yards in double width or 7¼ yards in single width, unless specific measurements of an oversized person are filed with the vendor, F. B. Wallis, Co-ordinator of Textiles.

* * *

SHORTENING. W.P.T.B. Order A-319, July 31. No manufacturer may manufacture in any month a quantity exceeding 80% of same month in 1941 or use more than 56% of the quantity of vegetable used by him for same month of 1941. Adm. of Oils and Fats, Phyllis G. Turner.

* * *

SUGAR FOR SHIP STORES. W.P.T.B. Order A-310, July 31, sets out regulations under which a vessel in port in Canada may purchase sugar for ship's stores. Sugar Adm., S. R. Noble.

* * *

MARINE ANIMAL OILS. W.P.T.B. Order A-321, Aug. 1. Producers must file a monthly statement and report all shipments. Adm. of Oils and Fats, Phyllis G. Turner.

* * *

PRIORITIES.—M. & S. Order P.O. 2, Aug. 1. Regulates procedure for making applications for priorities for scarce metals under Production Requirements Plan. Priorities Officer, W. E. Uren.

* * *

CONTAINERS FOR SHORTENING W.P.T.B. Order A-320, Aug. 1. Tinplate containers for packaging edible fats are restricted to two sizes, 3 lb. and 6 lb. No processor shall use any tin for containers for packaging without first obtaining written permission from Adm. of Oils and Fats. Adm. of Non-ferrous Metals, G. C. Bateman.

* * *

PRIVATE COMMERCIAL VEHICLES, W.P.T.B. Order A-314, Aug. 1. Vehicles may not be operated more than 35 road miles away from registered address except under permit after Nov. 1. Adm. of Services, James Stewart.

* * *

TEA AND COFFEE. W.P.T.B. Order 166, Aug. 3, provides for coupon rationing of tea and coffee, fixing the weekly allowance per person at one ounce of tea or four ounces of coffee, none for children under 12. Public caterers restricted in servings per customer. The order sets out the procedure to be followed by caterers and retailers in making purchases of tea and coffee, as well as the regulations governing wholesalers and importers. Signed by Donald Gordon, Chairman, W.P.T.B.

* * *

COST-OF-LIVING BONUS.—General order of National War Labor Board, Aug. 4. Orders increase in the cost of living bonus. It also makes bonus compulsory for those who did not receive one previously, providing they come within the scope of section 48 TC5963. Signed by Humphrey Mitchell, Chairman, National War Labor Board.

Sell More Apples To Prairie Buyers

But Okanagan Growers See Little Hope of Export

From Our Own Correspondent

VANCOUVER.—Increased sales at satisfactory prices on the prairies and in other parts of Canada are foreseen by Okanagan apple growers this year in the absence of overseas business.

Reduction in crops in Ontario and Quebec will lead to increased trade for the product of the Okanagan valley in this province, and David McNair, sales manager of Tree Fruits, Ltd., sales organization for the growers, estimates that four million boxes will be marketed in Canada alone.

There is small prospect of selling either in the United Kingdom or South America in view of the continuing shortage of ships.

Fresh apple sales may be restricted to some extent unless "canning" for which extra sugar is allowed consumers, is clarified to include the making of pies and apple sauce.

Meantime the Okanagan is extending dehydration and by-product lines with a view to using up the surplus.

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Three-cent stamp and address label from subscriber's copy of The Financial Post must be enclosed. Address letters to The Financial Post, 481 University Ave., Toronto 2.

Steel of Canada

A brief idea of the investment position and outlook for Steel of preferred would be appreciated.

The preferred shares of Steel Co. of Canada rank high among Canadian investments. The preferred stock has priority over the ordinary shares as to assets and dividends in addition to which it participates with the ordinary shares in the distribution of net profits after the ordinary shares have received dividends equal to those paid on the preferred. Thus dividend payments on the two classes of stock have been the same for a number of years with the preferred having the additional priority as to earnings. On a non-participating basis, the dividend on the preference was earned more than 5 times in 1941 and more than twice on the basis of total preference on ordinary shares outstanding. Steel Co. of Canada is making considerable additions to its properties and is at present more concerned with turning out all that is possible of its products than it is with the problem of selling them. This condition is likely to continue throughout the war, but it is a little difficult to be certain what will happen following the war. Undoubtedly Canada will be left with far more than what used to be considered a normal steel producing capacity, but it seems reasonable to expect that Steel Co. of Canada with its strong financial position and established position in the field will be able to hold its own.

Consumers' Gas

In view of the new high taxes do you think that Consumers Gas will be able to maintain its present dividend rates?

Consumers' Gas Co. of Toronto reports a 10½% sales increase in the nine months ended June 30 this year. Coal shipments have been arriving on schedule and the company expects to have enough coal on hand at the close of the navigation season this fall to carry it until navigation opens again in 1943. Thus the scale of operations will be good and will be a factor in enabling the company to hold earnings. This company has made a 2% reduction in its dividends and is now paying at the rate of 8% instead of the 10% paid for many years. In view of current conditions it would perhaps be quite reasonable to expect the company to do well to hold earnings for this year at last year's level. On the other hand, a further reduction in dividend is hardly expected in the immediate future.

Inter Hydro

Is there any estimate available on the current break-up value of International Hydro-Electric System debentures?

At current market level the 1.4 million shares of Gatineau held by International Hydro Debenture are worth around $8.6 millions. The 821,000 shares of New England Power at the current market work out to around $1.2 million. The total of these two holdings at $9.8 million is equivalent to about 37 points per International Hydro Debenture. In addition, the company wholly owns Hudson River Power Corporation and Corinth Electric Light, which cannot be valued on the open market standard.

We might note that it seems probable that some little time will elapse before the International Hydro-Electric System will be actually broken up into its component parts.

J. P. LANGLEY & CO.
C. P. Roberts, F.C.A.
CHARTERED ACCOUNTANTS
TORONTO KIRKLAND LAKE

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